

CPIA Detailed Report

Country: Gambia

Exercise Year: CPIA Exercise 2023

Currency: Gambian Dalasi (GMD)

City: Banjul

Income Group: Low income

Lending Category: IDA

Final CPIA Score: 3.196

(A) Economic Management

Cluster Score: 2.833

01. Fiscal Policy

Criteria Score: 3

1. Fiscal Policy

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

Between 2021 and 2022, The Gambia has implemented a fiscal policy that was broadly prudent despite fuel revenue losses and the non-materialization of some significant budgetary resources. In 2023, the

fiscal policy in 2023 has remained anchored on the adopted budget despite multiple shocks, given high debt vulnerabilities. The necessary measures were taken to this end, including the collection of some significant budgetary resources. Domestic revenue collection slightly overperformed, as tax revenue collection was broadly on target and higher nontax collection from land sales and lease rentals more than compensated for the underperformance of toll receipts, lower than-anticipated sales of assets from the Janneh Commission, and the absence of collection from the sale of MegaBank's non-performing assets. Although grants increased relative to 2021, they fell below projections in 2022. Spending overruns on goods and services were compensated by lower-than-anticipated interest payments and domestically financed investment. In sum, the overall fiscal deficit marginally underperformed the target. The net domestic borrowing was below the program ceiling by about 0.7 percent of GDP. However, the fiscal outturns showed a large payment float of 0.7 percent of GDP. The overall fiscal deficit target remains unchanged relative to the initial 2023 budget, at 2.7 percent of GDP. The authorities are taking measures to boost revenue collection. They have adjusted domestic pump prices to maximize revenue collection. At end-April 2023, revenue from petroleum products were already at about 40 percent of the annual target. To alleviate the impact of the fuel price increases on the vulnerable population, the authorities intend to strengthen targeted social safety net programs. On the spending side, the authorities are committed to addressing any pressures and remaining within the approved budget, by containing allowances to keep personnel expenses within the approved wage envelope, reprioritizing spending, and strengthening cash management. Moreover, the privatization of Megabank, which was expected to provide significant resources to the budget, was not finalized due to proposed installment payments by the buyer, instead of an on-time payment of the full agreed amount. Public debt remained broadly unchanged from end-2021 to end-2022, at around 84 percent of GDP. The Gambia's public debt is deemed sustainable, but risks of external and overall debt distress remain high. The debt outlook is subject to large downside risks, especially due to the protracted war in Ukraine, which could worsen the profile of the PV of overall debt-to-GDP ratio in the near future. To reduce debt vulnerabilities, the authorities are focusing on grants and highly concessional loans, implementing a strong medium-term fiscal framework, including by bolstering domestic revenue mobilization and executing previous revenue-related commitments, and strictly adhering to the agreed external borrowing plan, and ensuring that SOEs and PPPs do not give rise to fiscal risks and contingent liabilities. The Gambia met 4 out of 6 ECOWAS macroeconomic convergence criteria in 2022 (e.g., inflation, exchange rate, reduced Central Bank financing of the deficit, gross external reserves), but budget deficit and total debt targets remain a challenge. According to the IMF report of June 2023, the country's expected borrowing has declined from 4.6 percent of GDP in 2021 to 2.7 percent of GDP in 2023 owing to improved rationalization of domestic expenditures and broadening of the domestic revenue base.

The multiple external shocks that hit the Gambian economy obstructed a rapid recovery in 2022. Economic growth in 2022 is estimated to have remained around its 2021 level, at 4.4 percent. The economic growth is recovering at a slower pace compared to the pre-pandemic strong growth rates of 7.2 percent in 2018 and 6.2 percent in 2019. This is mostly due to the implications of the war in Ukraine. Furthermore, tourist arrivals are picking up robustly but remain below pre-pandemic levels. Remittance inflows continue; private and public constructions remain robust. Economic growth is projected to rebound gradually to strengthen to 5.6 percent in 2023, supported by further recovery in the tourism sector and continuous robust performance of the construction and agricultural sectors. The outlook remains clouded by the war in Ukraine which, if protracted, could hinder the tourism sector and further aggravate inflationary pressures, in a context of high risks of domestic and external debt distress, declining international reserves coverage, and widespread poverty and fragilities. Maintaining prudent macroeconomic policies to support economic stability and development remains a priority.

02. Monetary Policy

2. Monetary Policy

Score Type	Value
Draft Score	3.5
Reviewed Score	3.5
Second Draft Score	3.5
Final Score	3.5

Country Notes:

According to the IMF Article IV of June 2023, The Central Bank of The Gambia (CBG) was unable to contain headline inflation below its medium-term inflation objective of 5% in recent years. Headline inflation averaged 6.7% between 2018 and 2021. The 2023 African Economic Outlook Report indicates that The year 2022 proved to be challenging for the monetary authorities in The Gambia. Monthly headline inflation fluctuated between 7.8% in January 2022 to 13.2% in September 2022, closing the year at 9.6%, almost double of the medium-term target of 5% but slightly below ECOWAS macroeconomic convergence criteria of 10% (AEO, 2023). Headline inflation was lower than regional and continental averages of 17% and 14.3%, respectively. The surge in inflation is attributable to the combination of high food and fuel prices induced by Russia's invasion of Ukraine, freight charges, and a strong US dollar. The exchange rate depreciated by 7% from Dalasi 51.5 per USD in December 2021 to Dalasi 55.4 per USD in December 2022 (Central Bank of The Gambia, <https://www.cbg.gm/daily-reference-rate>). Food inflation accounted for 55.4% of the change in headline inflation while fuel inflation 26.6% and core inflation 18% (GBoS, <https://www.gbosdata.org/data/720-consumer-price-index/1871-consumer-price-index-all-items>). The combination of weaker-than-expected performance of the tourism sector, exports disruptions, lower remittances, and high food and import costs has generated shortages of foreign exchange reserves, and the depreciation of the exchange rate. To ease inflationary pressures and contain the passthrough effect of the exchange rate depreciation on domestic inflation, the Monetary Policy Committee (MPC) increased the policy rate from 10% to 12% in May and September, and further to 13% in December 2022. In tandem with the restrictive monetary policy and shortages of foreign exchange reserves, broad money declined from 19.5% of GDP in 2021 to 6.1% of GDP in 2022, resulting from sharp reductions in net foreign assets. The Central Bank recently increased its policy rate and stands ready to further tighten the monetary policy stance if inflationary pressures persist. The MPC increased the policy rate by 100 basis points in February 2023 to 14%, bringing cumulative rate increase to 400 basis points since the beginning of the tightening cycle in May 2022. The decision to tighten monetary policy was influenced by the elevated inflation outlook, which is driven by high import costs, Dalasi depreciation, and strong private demand. Despite the implementation of active monetary policy since 2022, to tame inflationary pressures, private sector credit grew by 25% in 2022 (compared to 20.7% in 2021). This was in part driven by excess liquidity in the banking system equivalent to 10% of reserve money in February, 2023 (IMF, 2023). However, rising inflation has impacted negatively on households' real income. While inflation is forecast to remain in double digits for the greater part of 2023, we assess the gradual tightening approach to be appropriate. The easing of global supply conditions coupled with the impact of the tight monetary policy stance on domestic demand is expected to dampen price pressures and bring inflation back to the desired level of 5% in the medium term. Cognizant of the risks associated with the inflation outlook, the CBG will continue to closely monitor inflation developments and adjust the monetary policy stance if needed. The

CBG is taking measures to ensure the smooth functioning of the foreign exchange market. The CBG is currently a modest player in the domestic FX market. From January to February 2023, the CBG intervened on both sides of the market, buying an equivalent of US\$10.4 million whilst selling US\$4.3 million. The CBG continues to ensure that the fundamentals of demand and supply determine the exchange rate of the Dalasi against major trading currencies. The CBG, through formal letters, informs the public and recognized associations of authorized participants on any policy changes. The current account deficit widened from 8.1% of GDP in 2021 to 13.1% of GDP in 2022. All components of the Balance of Payment (BoP) registered deficits in 2022 except the secondary income (current transfers) and capital and financial accounts. The current account deficit was driven by a trade deficit that averaged 34.4% of GDP in 2022 up from 26.3% in 2021. Exports, notably of primary products (wood, timber, cashew, groundnuts) grew from 3.8% of GDP in 2021 to 4.4% in 2022, but this was largely offset by growth in imports (due to increase in cost of fuel and capital goods). The trade deficit was impacted by terms of trade shocks and high global food and fuel price, combined with high freight costs which raised import bills. The real effective exchange rate slightly depreciated by an estimated 0.8% compared with the period prior to 2020 but this did not translate into effective competitiveness gains (domestic prices increased much faster than trading partners); but was mostly driven by the depreciation of the nominal effective exchange rate notably against the USD dollar and euro. Both foreign direct investment and Portfolio Investment remained stable at 4.6% of GDP and 0.2% of GDP in 2021/2022, although other investments (institutional investors) declined from 6% of GDP to 1.1% in the same period. Overall, part of the current account deficit was financed by the capital account surplus, with the remainder covered by drawing down foreign exchange reserves to ease supply side constraints. As a result, gross international reserves dropped from USD 520 million in 2021 (7 months) to USD 420 million in 2022 (4.4 months). The Gambia dalasi depreciated by 7% from Dalasi 51.5 per USD in December 2021 to Dalasi 55.4 per USD in December 2022 (CBG, 2022).

03. Debt Policy

Criteria Score: 2

3. Debt Policy

Score Type	Value
Draft Score	2.0
Reviewed Score	2.0
Second Draft Score	2.0
Final Score	2.0

Country Notes:

The Gambia has implemented reforms to strengthen external debt reporting and reconciliation. These included: (i) the development of a domestic borrowing plan that provides operational guidance to the Central Bank of The Gambia in line with the Medium Term Debt Strategy (i.e., lengthen maturity of domestic debt to manage rollover risk), (ii) improve data dissemination from the Department of Debt and Loans and Debt Management to the CBG. The authorities are also addressing risks related to debt service

by implementing a debt management policy that reduces roll-over risks, including by lengthening maturity. This assessment, however, is subject to downside risks stemming from a protracted war in Ukraine. The implications of the war in Ukraine continue to strain the socio-economic environment in The Gambia. While the COVID-19 pandemic has receded, the war in Ukraine has impeded a strong economic recovery. Economic recovery remains moderate, estimated at 4.4% in 2022, broadly unchanged from 2021. Tourist arrivals in 2022 increased by 83% relative to 2021 but have remained below pre-pandemic levels. Inflation pressures persist, reaching 13.7% (y-o-y) in December 2022 and 14.8% (y-o-y) in March 2023, driven primarily by elevated global fuel and food prices. The fiscal outturns in 2022 reflected some spending restraints but also the non-materialization of some important revenue collection commitments, including the asset sale from the Janneh Commission and the privatization of Megabank. The overall fiscal deficit stood at 4.9% of GDP. The Gambia's total public debt to GDP stood at about 84% and external debt to GDP at about 52% as of end-2022; the composition remains broadly unchanged from the fifth ECF review. The Gambia's external debt primarily comprises of concessional and semi-concessional loans from multilateral and plurilateral creditors, with creditors from the Middle East forming the single largest creditor sub-group. Around 68% of the Gambia's PPG external debt is owed to multilateral creditors, with bilateral creditors (29%) and commercial creditors (3%) comprising relatively smaller shares among the creditor categories. While approximately 30% of the PPG external debt is owed to the IMF and MDBs, about 70% of PPG external debt is owed to a combination of various creditors from the Middle East. The Gambia's public debt is deemed sustainable, but risks of external and overall debt distress remain high. The PV of total public debt is projected to decline below its benchmark of 55 percent of GDP in 2025, and the debt reduction path remains broadly in line with previous projections. The Debt Sustainability Analysis (DSA) shows that breaches in the indicative thresholds are broadly similar to those seen during the 5th ECF review. The export-related debt indicators remain weak and breach the indicative thresholds at various intervals. The debt outlook is subject to large downside risks, especially due to the protracted war in Ukraine, which could worsen the profile of the PV of overall debt-to-GDP ratio in the near future. To reduce debt vulnerabilities, the authorities are focusing on grants and highly concessional loans, implementing a strong medium-term fiscal framework, including by bolstering domestic revenue mobilization and executing previous revenue-related commitments, strictly adhering to the agreed external borrowing plan, and ensuring that SOEs and PPPs do not give rise to fiscal risks and contingent liabilities. Nonetheless, additionally, strong external buffers are needed to prepare for the upcoming expiration of debt deferrals. The outlook remains clouded by the war in Ukraine which, if protracted, could hinder the tourism sector and further aggravate inflationary pressures, in a context of high risks of domestic and external debt distress, declining international reserves coverage, and widespread poverty and fragilities. Maintaining prudent macroeconomic policies to support economic stability and development remains a priority. Despite pressures, fiscal policy remains appropriately anchored on the approved 2023 budget. Given high debt vulnerabilities, efforts should continue to bolster domestic revenue mobilization and prioritize investment projects. In anticipation of the expiration of the debt rescheduling period and to keep public debt on a downward path, it will be paramount to strengthen fiscal and external buffers by containing domestic borrowing, focusing on grants and highly concessional loans, and implementing a strong medium-term fiscal framework. Strengthening social safety nets remains important. The Gambia continues to implement structural reforms for debt management reporting and reconciliation notably: (i) strengthening of external debt reporting and reconciliation; (ii) development of a domestic borrowing plan that provides operational guidance to the CBG in line with the Medium Term Debt Strategy (MTDS) (i.e., lengthen maturity of domestic debt to manage rollover risk); and (iii) improve data dissemination from Department of Loans and Debt Management to the CBG.

(B) Structural Policy

Cluster Score: 3.611

04. Policies and Institutions for Economic Cooperation, RI and Trade

Criteria Score: 3.667

4.a. Regional Integration and Economic Cooperation

Score Type	Value
Draft Score	4.0
Reviewed Score	4.0
Second Draft Score	4.0
Final Score	4.0

Country Notes:

According to the US Investment Climate Statement (2023), The Gambia signed bilateral investment treaties with the following countries: The United Arab Emirates (UAE), Mauritius, Kuwait, Turkey, Spain, Iran, Morocco, Taiwan, Mali, Guinea, Netherlands, United Kingdom, Qatar, Ukraine, Mauritania, Libya, and Switzerland. The Gambia also signed bilateral trade agreement with Ethiopia in January 2012 and renewable every 5 years. The agreement covers the following areas: Trade promotion; Trade fairs and exhibitions; Elimination of tariff and nontariff barriers; Sanitary and phytosanitary measures; Dispute settlements. The country also entered into a bilateral agreement with Tunisia in June 2000 and which is currently valid. The agreement covers: Most-favored-nation treatment; Trade promotion and missions; Organizing of trade fairs and exhibitions; Economic Cooperation. In August, 2018, The Gambia became the 14th West African country to have signed the region-to-region Economic Partnership Agreement (EPA) with the EU. The aim of this tailor-made agreement is to promote trade between the EU and African states and contribute to sustainable development and poverty reduction. In April 2019, The Gambia became the 22nd country to approve the Africa Continental Free Trade Agreement (AfCFTA) and effectively met the minimum threshold for the agreement to come into force. The AfCFTA, which was enacted in 2018, seeks to create the largest trade zone in the world, covering 1.3 billion people with a combined GDP valued at \$3.4 trillion. According to a World Bank report, the pact could boost regional income by 7 percent, or \$450 billion, speed up wage growth for women, and lift 30 million people out of extreme poverty by 2035. The Gambia does not have a bilateral investment treaty, bilateral taxation treaty, or a free trade agreement with the U.S. The Gambia is not a member of the OECD Inclusive Framework on Base Erosion and Profit Shifting, nor party to the Inclusive Framework's Deal on the two-pillar solution to global tax challenges, which includes a global minimum corporate tax. The Gambia is a member of the World Trade Organization and ECOWAS and has bilateral agreements with a number of its trading partners. The Gambia therefore benefits from non-reciprocal duty-free preferential treatment from many industrialized countries under the Generalized System of Preferences (GSP), and related schemes like the European Union's Everything but Arms (EBA) Initiative. Exports from The Gambia can therefore access these markets at preferential duty rates. The ECOWAS member states are implementing the ECOWAS ETLs. Gambian registered companies that meet any of the following criteria will be eligible for export of industrial products to the ECOWAS market under the ETLs: (i) Industrial products whose raw material wholly originate from ECOWAS Member States; (ii) Industrial products for which at least 60% of the raw material comes from the ECOWAS member states; (iii) Industrial products whose raw materials from the ECOWAS region is

less than 60% or whose raw materials are wholly from outside the ECOWAS region but have a value-added of at least 30% of the ex-factory price. As at end May 2021, the Gambia has ratified 55 of the 64 ECOWAS protocols. However, The Gambia is yet to ratify nine (9) conventions key amongst which are on extradition treaty, the supplementary protocol on ECOWAS brown card insurance scheme, protocol on conflict prevention, management and resolution, cooperation agreement on criminal matters between police of member states and ECOWAS revised treaty. According to the 2019 Africa Regional Integration Index, The Gambia ranks 19th out of 54th with a score of 0.35. The Gambia exports its goods mainly to Mali (44.7% of total exports), China (29.1%), Senegal (10.9%), Guinea Bissau, India and Vietnam. The country mainly imports goods from Togo (25.4% of total imports), Ivory Coast (12.4%), China (7.6%), Denmark (6%), India, Brazil and Senegal (ITC, 2021). According to the Competitive Industrial Performance Index 2021 data, The Gambia has improved its ranking from 149th out of 152 countries surveyed using 2019 data to 102nd out of 152 countries surveyed in 2021. The share of medium and high-tech activities in manufacturing export index in The Gambia has also improved from 0.09 in 2018 to 0.268 using 2021 data. According to Tralac (2020), for 2020, 86% of Gambia's world exports were to the rest of Africa. Apart from Kenya, the main African destination markets are other CEN-SAD and ECOWAS countries. The value of 2020 intra-Africa exports is US\$22 million. The main export products are graders and cement. Intra-Africa exports from The Gambia increased by 26% in 2020 compared to 2019 and main export products are: fish and crustaceans (52%), cashewnuts (19%), oil seeds and fruits (7%) and preparations from food industry (5%). Major imports products goods to the country include: mineral fuel oil products (43%), articles of iron and steel (11%), cereals (7%), sugar (5%), vehicles and spare parts (4%). The Gambia is connected by road with Senegal through the SeneGambia bridge, and with neighbouring countries (Mali, Guinea Bissau and Guinea) by road. An estimated 59% of The Gambia's Africa intra-Africa exports are destined to Senegal, 30% to Mali, 11% to Guinea-Bissau, and 0.2% to Guinea. Furthermore, for 2020, 20% of Gambia's world imports were intra-Africa imports. Gambia's intra-Africa imports are mainly from Ivory Coast, Togo and Senegal. Between 2019 and 2020, intra-Africa imports increased by 2%. Petroleum oil (excluding crude) is the main import product (Tralac, 2020). <https://www.tralac.org/documents/publications/trade-data-analysis/4356-gambia-trade-and-tariff-profile-2020-infographic/file.html> For 2020, 20% of Gambia's world imports were intra-Africa imports. Gambia's intra-Africa imports are mainly from Ivory Coast, Togo and Senegal. Between 2019 and 2020, intra-Africa imports increased by 2%. Petroleum oil (excluding crude) is the main import product

4.b. Trade restrictiveness

Score Type	Value
Draft Score	3.5
Reviewed Score	3.5
Second Draft Score	3.5
Final Score	3.5

Country Notes:

With a liberal economy, Gambia is open to foreign trade, which was 42% of its GDP in 2021 (World Bank). The trade-weighted average tariff rate is 12.8%, and layers of nontariff barriers further deter trade flows.

Foreign and domestic investors are generally treated equally under the law. Credit to the private sector has increased, but the overall financial system remains underdeveloped. Overall, The Gambia has a liberal trading regime. In 2014, The Gambia signed a Trade and Investment Framework agreement (TIFA) with the United States. However, temporary import duties and outright bans on imports are periodically placed on potatoes and onions to protect local producers. These bans come into effect during harvesting periods; harvest times are not fixed. The Gambia has occasionally also placed bans on poultry products. In April 2017 the Government of The Gambia (GOTG) announced a reduction on the import duty on flour from 47 per cent to 20 per cent and a removal of the five per cent excise tax on goods and the GMD 1 per kilo tax on cement imports. The Gambia applies the ECOWAS Common Customs Tariff, which is based on that originally applied by WAEMU/UEOMA. The tariff currently comprises four rates: zero, 5%, 10%, and 20%. The ECOWAS member states are negotiating the introduction of a fifth band, at 35%, based on harmonization of national lists submitted by members, and of national exceptions to the ECOWAS common tariff. The tariff classification consists of: Category 0: basic social goods (zero rated); Category 1: basic needs, raw material, capital equipment, and specific inputs (rate 5%); Category 2: inputs and intermediate products (rate 10%); Category 3: final consumer goods and other products n.e.s. (rate 20%); and Category 4: specific goods for economic development (rate 35%). The Gambia has submitted two national lists to ECOWAS under the negotiating process: the first is for products that it wishes to be included in Category 4 and taxed at 35%, and the second is "List B" of national products on which The Gambia wishes lower rates than the common tariff to be applied, as inputs to agriculture, fisheries or other industries, or as basic food needs for the population. The Gambia applies a processing fee of 1.55% and a 1% ECOWAS levy on the c.i.f. value of all imports. It has bound "other duties and charges" on its WTO bound tariff lines at 10%. Other trade taxes include: Excise Tax; Environment Tax; AU Levy- 0.20% of CIF; Import VAT 15% of CIF and Duty Export VAT 0%. Section 38 of the Customs and Excise Act, 2010 provides that any goods specified in part A of the Eighth schedule are prohibited imports and the importations thereof is prohibited from all places or from any country or place. The main Articles which are Prohibited on Importation and for which Officers always must be Alerted are as Follows: (i) Counterfeit or non-standard coins or currency notes; (ii) Indecent articles (pornographic materials); (iii) Firearms and ammunitions of all types and other articles having appearance of lethal weapons. (unless properly licensed); (iv) Illicit drugs; (v) Expired foods (liquids, soluble & medicine); (vi) Waste and sludge deposits; (vii) Any organic phosphorus compounds; (viii) Any good that have been imported with the aim of breaching another's intellectual property rights; (ix) Asbestos in all forms; (x) Ivory, Articles of ivory, wild animal skins, snake skins and articles made from turtle shells and wild plants; (xi) Plastic bags; (xii) Any other good the importation of which is prohibited under any international convention to which The Gambia is a signatory; (xiii) Live fish other than live fish indigenous to the Gambia except under license issued by Ministry of Fisheries; and (xiv) Any goods certified by The Gambia Bureau of Standards as not meeting the standards set by the Bureau. With a liberal economy, Gambia is open to foreign trade, which was 42% of its GDP in 2021 (World Bank). The trade-weighted average tariff rate is 12.8%, and layers of nontariff barriers further deter trade flows. Foreign and domestic investors are generally treated equally under the law. Overall, The Gambia has a liberal trading regime. In 2014, The Gambia signed a Trade and Investment Framework agreement (TIFA) with the United States. However, temporary import duties and outright bans on imports are periodically placed on potatoes and onions to protect local producers. These bans come into effect during harvesting periods; harvest times are not fixed. The Gambia has occasionally also placed bans on poultry products. In April 2017 the Government of The Gambia (GOTG) announced a reduction on the import duty on flour from 47 per cent to 20 per cent and a removal of the five per cent excise tax on goods and the GMD 1 per kilo tax on cement imports. The depreciation of the dalasi vis-à-vis the CFA Franc has helped to reverse some of the trade diversion to neighboring countries observed in recent months. The CBG continues to implement measures to safeguard smooth functioning of the foreign exchange market. To this end, given FX demand pressures during the lean tourism period, and in the absence of timber export earnings, the authorities are making efforts to facilitate trade with other ECOWAS member countries to further enhance FX inflows. The Gambia's economic freedom score is 57.9, making its economy the 101st freest in the 2023 Index. Its score is essentially unchanged from last year. The Gambia scores 64.4 out of 100 in trade freedom reflecting the country's openness to trade. For

2020, 20% of Gambia's world imports were intra-Africa imports. Gambia's intra-Africa imports are mainly from Ivory Coast, Togo and Senegal. Between 2019 and 2020, intra-Africa imports increased by 2%. Petroleum oil (excluding crude) is the main import product

4.c. Customs/trade facilitation

Score Type	Value
Draft Score	3.5
Reviewed Score	3.5
Second Draft Score	3.5
Final Score	3.5

Country Notes:

The Gambia Revenue Authority is responsible for the management and administration of customs, the administration of taxes and duties on imports, the application of customs controls and other connected matters. The Commissioner of Customs is responsible for the day-to-day administration of customs. The Commissioner-General of The Gambia Revenue Authority (GRA) is responsible for granting permission to manufacture goods subject to excise duties. GRA Administers the Customs and Excise Act of 2010 for the service processes in Customs and Excise Department including: (i) Clearance of imported goods through customs; (ii) Warehousing procedures; (iii) License to manufacture excise goods; (iv) Export processing zones; (v) Transit trade; and (Implementation of the ECOWAS Common External Tariff). An important element of trade policy, trade facilitation refers to the simplification and harmonization of international trade procedures to expedite the movement of goods across borders and reduce trade costs. WTO Members concluded negotiations on a landmark Trade Facilitation Agreement (TFA) in December 2013, and The Gambia deposited its instrument of acceptance of the TFA on 11th July 2017. The TFA commits WTO Members to streamlining cross-border trade with estimates showing that full implementation of the TFA could reduce global trade costs by an average of 14.3% (WTO, 2015) with the biggest reductions to be seen in developing countries and LDCs. The Gambian Government is cognizant of the benefits of implementing the TFA, and the NDP highlights improvements in trade facilitation measures as a gateway to re-positioning The Gambia as a hub for re-export and transit trade in the ECOWAS region. Reforms have been undertaken to achieve this objective. The government also implemented reforms to improve trade development including the migration of the national electronic customs data system from ASYCUDA++ to ASYCUDA World by 2021; the Port Expansion Project in 2021; and update of the national quality infrastructure. Despite these reforms, The Gambia is still faced with a myriad of structural challenges including both hard and soft infrastructure. According to the World Bank (2022), the efficiency of customs clearance process in The Gambia was rated low at 1.8 in a scale of 1(low) to 5(high) in 2022. (The government has set a favourable regulation for trade with low customs duties. Its re-exportation activities, which represent a significant part of its foreign trade, are supported by its ports' efficiency and

trade policy. There is, however, low transparency on its customs duties' calculation. The Gambia Revenue Authority (GRA) collects excise duties on locally manufactured products (per unit). According to the GIABA (2022) Report, "bribery and corruption are yet another major ML threats in The Gambia that generate significant criminal proceeds". Transparency International's Corruption Perceptions Index ranked The Gambia 145th out of 176 countries in 2016, underscoring the widespread corruption permeating all strata of the country. The findings of the Commission of Inquiry into the financial dealings of the former President, Yahya Jammeh, his family members and close associates highlight the systemic corruption and kleptocracy that hitherto characterised the country during that regime. Nevertheless, the country is taking steps to address corruption, and has managed to climb up the rankings in the past four years (110 out of 180 countries) in 2022, and thus, ranks among the 50 percentile of the least corrupt countries. The Africa Regional Integration Index ranks The Gambia at 8th place out of 54 economies on trade integration with a score of 0.47 and well above the West Africa's regional average score of 0.438. The Gambia ranks 110th out of 180 countries surveyed in 2022 compared to 102nd place in 2021.

Source: <https://www.fatf-gafi.org/content/dam/fatf-gafi/fsrb-mer/GIABA-Mutual-Evaluation-Gambia-2022.pdf.coredownload.inline.pdf>

<https://data.worldbank.org/indicator/LP.LPI.CUST.XQ?locations=FM>

<https://www.transparency.org/en/countries/gambia>

05. Financial Sector Development

Criteria Score: 3.833

5.a. Financial stability

Score Type	Value
Draft Score	4.0

Reviewed Score	4.0
Second Draft Score	4.0
Final Score	4.0

Country Notes:

Overall, the banking sector is to some extent vulnerable to shocks in the medium-term. The share of NPLs and the level of capital at risk are moderate. General adherence to Basel Core Principles (capital adequacy requirements in line with or above Basel I requirements, enforcement improving) and the quality of risk management in financial institutions is not quite satisfactory. Supervisors have a moderate ability to assess risk. The financial sector remains resilient in a context of broadly declining excess liquidity. Private sector credit grew by 25% in 2022 (compared to 20.7% in 2021). The banking system appears relatively healthy. At end-December 2022, the capital adequacy and the liquidity ratios stood at 24.8% and 63.7%, respectively, exceeding the regulatory requirements. The Non-performing loans (NPL) ratio remains low at 4.6%, and banks have maintained an adequate level of provisioning. Bank excess reserves fell from 14.2% of reserve money at end-2021 to 4.8% at end-2022. The Central Bank of The Gambia (CBG) has been tightening monetary policy to curtail inflationary pressures while anchoring inflation expectations. Accordingly, the monetary policy committee (MPC) increased the policy rate by 200 basis points to 16% in May 2023. Relatedly, the growth of monetary aggregates decreased significantly in 2022 and is expected to continue trending down in 2023. Concomitantly, reserve money and bank reserves declined showing a reduction in excess liquidity in the banking system from August to December 2022. The central bank is working to enhance the oversight of the non-bank financial institutions (NBFIs) particularly microfinance centers (MFCs). The authorities are also implementing the recommendations from the assessment by the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA). In this regard, they have prepared an action plan for the implementation of GIABA mutual evaluation recommendations including increasing the number of staff of the Financial Intelligent Unit and preparing a strategic plan (2023-2027). Meanwhile, the authorities have drafted Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) financing amendment bill which is under review to ensure its alignment with domestic laws to preserve corresponding banking relationships and restore stability in the banking system.

5.b. Sector's efficiency, depth, and resource mobilization strength

Score Type	Value
Draft Score	4.0
Reviewed Score	4.0
Second Draft Score	4.0
Final Score	4.0

Country Notes:

Overall, the size and reach of financial and capital markets approaching adequate levels for economies of similar size and sophistication. Interest rate spreads somewhat high but falling and the private sector credit (share of GDP) is moderately adequate for the economy's size and sophistication. Microfinance is reasonably efficient. The country's financial sector regulatory authority is the Central Bank of The Gambia (CBG). Foreign banks or branches can establish operations in The Gambia subject to the CBG's regulations. There are 13 commercial banks. Most are foreign owned with branch outlets in the country. Foreign banks or branches are subject to the banking regulations of The Gambia. No correspondent banking relationships were lost in the past three years.. Banking sector efficiency remains a challenge as reflected by the high average spread between lending and deposit rates 16.1%. This may be attributed to the prevalence of structural and operational inefficiencies, and high credit risks. Banking sector profitability in The Gambia as measured by the return on asset (ROA) reached 1.8% in 2021 from 1.9% in 2015 and return on equity (ROE) reached 16.4% in 2021 up from 15.3% in 2015 (IMF Country Report No. 23/216)equity reached 15.4% in 2019 up from 3.5% in 2015, in part driven by high interest rate margins. The banking industry's asset base expanded by 19.7% (year-on-year) in June 2022, benefiting largely from higher cash holdings, government bonds and parastatal debt securities, and private sector loans and advances. Letters of credit and guarantees were also significant contributors to the asset growth of the industry. Customer deposits continues to be the largest source of funding for banks. It grew by 14.7% (year-on-year) and accounted for 66.8% of total funding at end-June 2022, supported by higher government spending, remittances, and deposit mobilization from private sector.

Private sector credit grew by 25% in 2022 (compared to 20.7% in 2021), with the bulk of credit going to building and construction (21%), trade and tourism (18.1%), and agriculture (13.1%). There are no restrictions on foreign investors converting or repatriating funds in The Gambia. Funds associated with any form of investment can be freely converted into any world currency. The Gambian Dalasi has a floating exchange rate. The domestic foreign exchange market is generally stable, supported by improved foreign exchange liquidity conditions and confidence. The performance of the external sector, the return of market confidence, and the improved transparency in the exchange rate policy are major contributing factors to the stability of the exchange rate of the Dalasi. The transaction volume of the domestic foreign exchange market, measured by aggregate purchases and sales of foreign currency in 2021, increased to \$2.6 billion from \$2.4 billion in 2022. Supply of foreign currency increased by 7.6% (year-on-year) to \$1.3 billion during the period. Demand for foreign currency also increased by 10.0% to \$1.3 billion, driven by imports of food and energy as well as telecommunication and construction sectors. There have been no recent changes or plans to change investment remittance policies in The Gambia. There are no time limitations on remittances. There are no plans to tighten access to foreign exchange for investment remittances. Investors may repatriate profits and dividends through commercial banks or licensed money transfer agencies at prevailing exchange rates. Inflows of private remittances continued to be the main supply source of foreign currency in the domestic foreign exchange market in 2021. Private remittance inflows, quarter-on-quarter increased to \$184.6 million but current transfers declined by 8.7% (year-on-year) to a net inflow of \$259.7 million in the first half of 2022.

5.c. Access to financial services

Score Type	Value
Draft Score	3.5

Reviewed Score	3.5
Second Draft Score	3.5
Final Score	3.5

Country Notes:

Overall, payment and clearance systems and credit reporting systems moderately developed and functional. Moderate share of the population has access to formal sector financial services. SMEs have moderate access to finance. Legal and regulatory framework still has weaknesses but generally supports access to finance. Currently, the total number of banking customers in The Gambia stands at 772,101 and only 14% use E-Banking. The Gambia currently has 80 branches and 208 point-of-sale (POS) terminals. The banking system has been resilient to shocks, and this includes challenges posed by COVID-19. Mobile money financial services expanded their customer base but declined in transaction volume. Year-on-year, the value of cash-in and cash-out transactions decreased by 20.8 and 20.7 while number of account holders surged by 93.8%. Aggregate data of the six micro-finance companies indicate that non-performing loans rose from 7% in December 2021 to 11% in December 2022. More due diligence is required as lending in terms of asset quality is informed by poor underwriting standards and asymmetric information is high. The authorities are implementing the National Financial Inclusion Strategy (NFIS), with the aim of providing access to the formal financial system for 70% of the adult population by 2025, including the most vulnerable groups, women, and youth. They have taken steps to: (1) gauge access to digital financial services through mobile money operators; (2) approve Islamic microfinance guidelines to bridge religious barriers to financial access; and (3) train women organizations on financial services. With the implementation of the NFIS underway, the CBG should enhance the oversight of the non-bank financial sector, especially microfinance companies (MFCs).¹³ Following the stress testing exercise of the banking system in 2022, the CBG should remain vigilant and repeat the exercise periodically to account for adverse developments affecting banks' balance sheets, such as growth slowdown, rising domestic inflation and interest rates, and declining households' real income. The CBG should encourage banks and NBFIs to continually report debtor information to the credit reference bureau (CRB), and to consistently use the CRB in credit decisions. There is also a need to enhance knowledge of IFRS by CBG supervisors and banks. Finally, the CBG's protection against cybersecurity should be upgraded as recent attacks have exposed critical weaknesses.

06. Business Regulatory Environment

Criteria Score: 3.333

6.a. Regulations affecting entry, exit, and competition

Score Type	Value
Draft Score	3.5
Reviewed Score	3.5
Second Draft Score	3.5

Final Score	3.5
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Country Notes:

The Gambian government generally encourages the free market and endeavors to provide a robust regulatory framework to enable it to flourish. The Barrow government has taken steps to reduce the complexity of starting a new business, making the process faster than it was previously. According to the WBG's Doing Business Report of 2020, the associated costs of registering a business in The Gambia were estimated at 49.5% of the country's GNI per capita, compared to an average of 32.27% in ECOWAS. To ease compliance with business registration, particularly for MSMEs, the government reduced the incorporation fee from GMD10,000 to GMD4,000 for businesses with a share capital of not more than GMD500,000 where most MSMEs are categorized. This reduction reduced the associated costs to 30.43% of The Gambia's GNI per capita in line with that of ECOWAS. The MOFEA also reduced the cost of a business registration certificate from D1000 to D500. Aside from relatively modest registration fees, there are no significant barriers to market activity in the Gambia. There are no laws discriminating against foreign investors. Enforcement of laws is uneven and other aspects of the regulatory machinery are either absent or underdeveloped (insolvency law and credit reporting are two areas that have been identified by the World Bank as in need of improvement to adhere to international standards). The Gambia's State-Owned Enterprises (SOEs) are important financial actors and, in many cases, the sole occupant of a specific market niche. In a few cases, the SOE has private competition. For example, the SOE GamCel competes with three privately owned mobile phone companies. The Gambia is one of the few countries in West Africa with competition legislation in place. The Gambia Competition and Consumer Protection (GCCP; previously the Gambia Competition Commission) is tasked with ensuring that the Competition Protection Act of 2007 and the Consumer Protection Act of 2014 are followed (other government entities, such as the Public Utilities Regulatory Authority, also play a role). The GCCP's focus has been on anti-competitive practices in consumer facing markets such as those for cement, petroleum and rice. In its investigations it has found price fixing, predatory pricing and tie-ins and that key markets are dominated by a handful of enterprises but that, in general, these markets are subject to fair competition. Mergers are subject to the Competition of Act of 2007 and can be reviewed by the GCCP. But there is an absence of required regulations and the GCCP therefore does not conduct merger reviews (the main concern in Gambian merger control rules is market share). In the absence of such regulation, mergers are governed by the Companies Act. Enforcement actions such as dawn raids do not occur in the Gambia and criminal charges are rarely pressed. The Gambia has a bankruptcy law, which is regulated by the Insolvency Act. The Act consolidates and amends the law relating to company insolvency and the insolvency and bankruptcy of individuals, the regulation of insolvency practice, the public administration of insolvency, and the licensing of insolvency practitioners. Creditors have the right to file a petition for bankruptcy or liquidation. Creditors have a right to present a petition in respect of a debtor (individual) to an official trustee who shall consider the petition. The Companies Act of 2013 also provides for a creditor's bankruptcy where a company is insolvent. In such a case, a credit. The Gambia is a member of Economic Community of West African States (ECOWAS), and as such, is signatory to the 1975 ECOWAS Treaty, which harmonizes investment rules. The Economic Community of West African States (ECOWAS) first introduced competition legislation in 2008, including a prohibition on anticompetitive mergers. Bankruptcy is covered by the Bankruptcy and Insolvency Act of 1992. Creditors, equity shareholders, and holders of other financial contracts may file for both liquidation and reorganization. Overall, No major investment related laws, regulations, or judicial decisions have been finalized in the past year in The Gambia.

Gambia was ranked 119 out of 190 countries in the World Bank's DB 2020 report regarding the ease of starting a business. The total number of procedures to register a firm is 6 procedures and takes 8 days to register the firm. The institution in charge of business registration is the Companies Registry. The Government of The Gambia made starting a business easier by eliminating the requirement to obtain a

company seal. The process includes reserving a unique company name; notarizing company statutes; obtaining a tax identification number (TIN) from the Gambia Revenue Authority; registering employees with the Social Security and Housing Finance Corporation; registering with the Commercial Registry; and, obtaining the operational license. The World Bank DB's report ranked Swaziland as No. 145 on the ease of getting a permit. It takes between 173 days and 12 procedures to obtain permits. The requirements for obtaining a building permit are not easily accessible. Ease of settlements of dispute/arbitration According to the World Bank's DB report, resolving the insolvency framework in The Gambia provides that a creditor or debtor has the right to object to decisions accepting or rejecting creditors' claims. The insolvency framework provides for the possibility of the debtor obtaining credit after the commencement of insolvency proceedings. According to the US Department of State, even though The Gambia is a member of the International Center for the Settlement of Investment Disputes (ICSID), there is no specific legislation providing for the enforcement of ICSID awards.

6.b. Regulations of ongoing business operations

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

The government through the National Business Council is implementing Business Environment Reform (BER) program to create a sustainable business environment for enterprise creation and growth. The reforms are designed to enable the private sector to respond better to potential market opportunities through measures that improve the investment climate, expand access of MSMEs to financial services, and ensure minimum infrastructure and trade-related services to reduce bottlenecks. The reform program consists of six components: (1) Simplifying Business Registration; (2) Improving Tax Administration; (3) Easing access to finance; (4) Facilitating cross-border trade; (5) Strengthening land information system; and (6) Enabling affordable and reliable electricity supply Under business registration, the aim is to establish a one-stop shop for all business entry services and introduce an electronic platform for business registration. The government has therefore engaged UNCTAD and developed a proposal for the establishment of an online platform for business registration. This is meant to ease the registration of businesses and particularly the MSMEs by reducing the incorporation fee. According to the Index of Economic Freedom by the Heritage Foundation (<https://www.heritage.org/index/country/gambia>), The Gambia's is the 101st freest in the 2023 index up from 104th place in 2021. This is primarily because of an improvement in the fiscal health, trade freedom and labor freedom. Foreign and domestic private entities have a right to own business enterprises and engage in in all forms of remunerative activities in The Gambia and are treated the same as domestic firms. There are no limits on foreign ownership or control of businesses except in defense-related industries, which are closed to all private sector participation, irrespective of nationality. There is no mandatory screening of foreign direct investment, but the government may conduct screening if there is suspicion of money laundering or terrorism financing. Investors subjected to such a screening may be asked for business registration documents and bank

statements. As part of the country's privatization program, foreign investors are treated the same as local investors. Foreign investment in The Gambia is facilitated by the Gambia Investment Export and Promotion Agency (GIEPA) and the Gambia Chamber of Commerce and Industry (GCCl). Their mandate includes export promotion and support for Micro, Small and Medium-sized Enterprises (MSME) development. Domestic investors have no limitations investing abroad.

According to the US Department of State (2023), there is no restriction on ownership of businesses by foreign investors in most sectors. Foreign companies can invest in The Gambia without facing systemic discrimination in favor of local companies. Excessive and inconsistently-applied bureaucratic procedures, and decision-making processes for public tenders, and contracts are all common complaints. According to the US Department of State, there are no restrictions on foreign investors converting or repatriating funds in The Gambia. Investors may repatriate profits and dividends through commercial banks or licensed money transfer agencies at prevailing exchange rates.

Source: <https://www.state.gov/reports/2023-investment-climate-statements/the-gambia/>

6.c. Regulations of factor markets (labor and land)

Score Type	Value
Draft Score	3.5
Reviewed Score	3.5
Second Draft Score	3.5
Final Score	3.5

Country Notes:

As of 2021, the total labor force in The Gambia stood at 907,836, according to the World Bank collection of development indicators. In 2019, the labor force participation rate was 60.75%. The Gambia suffers from high unemployment and underemployment, compounded by a shortage of skilled workers and trained professionals. About 59% of the individuals in the labor force have no formal education. Many of the skilled workers in the construction and mechanical industries are foreigners from neighboring countries. However, many Gambians are now taking up these trades and the government has taken extraordinary steps to increase primary and secondary school enrollment. Several government policies require the hiring of nationals, including the Labor Act of 2007, The Payroll Tax Act of 2008, and the Social Security Act. The Labor Act of 2007 and its regulations provide the legal framework for labor relations in The Gambia. The Ministry of Trade, Regional Integration and Employment enforces the Act. It covers most conditions of employment, including dismissals, recruitment and hiring, registration and training, protection of wages, registration of trade unions and employees' organizations, and industrial relations in general. The country lacks unemployment insurance, there is organized trade unions. Despite ratifying Convention 98, The Gambia has no data in ILOSTAT for Collective Bargaining Agreements (CBA) and Trade Union

Density. In 2022, government has taken significant steps through the National Voluntary Review, including the formulation of an updated National Employment Policy and Action Plan (NEAP) 2020-2025, review of the Labour Act of 2007. The Child Protection Sub-Committee was established during 2015. Child protection seeks to guarantee the right of all children to a life free from violence, abuse, exploitation and neglect. In The Gambia many actors are engaged in child protection, but their efforts need to be brought together to be fully effective. The High Court of The Gambia established under section 131 of the 1997 Constitution of The Gambia has unlimited jurisdiction and can determine ownership of land and make declarations of title to land. The Magistrates Court determines actions for possession of immovable property of \$16,000 (~1 million Dalasi) in value or less. The District Tribunals have jurisdiction pursuant to the District Tribunal Act to determine issues of title to land or any interest in land. Mortgages are registered in the Deeds Registry under the Registrar General's department at the Attorney General's chambers. The Registry is established under the Lands (Registration of Deeds) Act. This register is open to the public and may be consulted upon payment of the prescribed fee. There are specific regulations regarding land lease or acquisition by foreign and/or non-resident investors. In 2007, the Ministry of Lands and Regional Government established the Lands Commission Act. Non-Gambians have slight restrictions on land ownership under the Act. They are only deemed to be a lessee of a residential land if (a) the land is not within 1.5 kilometers of the high-water mark in an area designated by the minister and (b) of no more than 2,500 square meters of land in any one city, town or village within an area designated as state land. If a non-Gambian acquires state land contrary to the above provisions, they will be deemed to be tenants at will and may at any time be dispossessed of the land. The government is developing new policies including the National Land Policy. It is obvious that in the absence of a robust land policy, land disputes will continue to be a perennial problem for the country and will increasingly become a source of violent conflict.

According to the US Department of State, national practices vary in the treatment of such groups as the armed forces and seasonal or part-time workers, in general, the labor force includes the armed forces, the unemployed, and first-time job seekers, but excludes homemakers and other unpaid caregivers and workers in the informal sector. According to the DB report of the World Bank, there are 6 procedures and a 73-day process involved in registering a property in Gambia. The type of land registration system in the economy is a dual system (Title and deed). The Registrar General's Office is the institution in charge. There is no electronic database for recording boundaries, checking plans, and providing cadastral information (geographic information system). The District Tribunal is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights located in the largest business city. According to the US Department of State, Property rights and interests, though clearly protected under the laws, were not enforced under the old regime. However, the new administration has vowed to uphold the laws going forward. Mortgages and liens exist but are largely unused.

(C) Policies for Social Inclusion/Equity

Cluster Score: 3.173

07. Gender Equality

Criteria Score: 3.167

7.a. Promotion of equal access for men and women to human capital development opportunities

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

The Gambian government has enacted and put in place institutions and programs to enforce laws and policies that promote equal access for men and women to human capital development opportunities. Specific legislation and formal policies that encourage equal access to primary and secondary education, antenatal and delivery care or family planning services include: (i) the 1999 National Policy for the Advancement of Gambian Women (NPAGW), (ii) the Gender and Women Empowerment Policy (2010-2020) focusing on the following priority areas: gender and education, gender and health, gender and sustainable livelihoods development, gender and governance, gender and human rights, poverty reduction and economic empowerment; and (iii) The Women's Act 12/2010 and amended in 2015. The act provides for special rights and protection for women. These include right to for peace, food security, adequate housing, health and sustainable development. Although successive Gambian governments have made gender equitable access to education and other opportunities a priority, inequities remain. Female literacy is at just over 40%, compared to just over 60% for men. While more girls than boys are enrolled in school at the primary level (Gender Parity Index (GPI): 1.1), this advantage tapers off with age and more males are enrolled in tertiary education than females (GPI: 0.7). The gross enrollment ratio is 101.7% for primary, 50.1% for secondary and 2.7% for tertiary education. Women make up around 44% of the labor force, a figure that has remained more or less the same since 2010. Access to antenatal and delivery care improved with most women having access to at least 4+ antenatal care 4+ visits. The percentage of women (aged 15-49 years) attended at least four times during pregnancy by any provider (Female) (Per cent) stood at 79% in 2020. Skilled birth attended by skilled personnel also improved and currently stand at 84% in 2020 in line with the global average (<https://www.who.int/data/gho/data/indicators/indicator-details/GHO/births-attended-by-skilled-health-personnel>). Use of modern contraception improved significantly with an average 13.1% ([https://www.track20.org/GambiaModern contraceptive prevalence rate \(mCP\)](https://www.track20.org/GambiaModern%20contraceptive%20prevalence%20rate%20(mCP))), though below Africa's average of 28.5% in 2017. 13.1% Women suffer additional structural disadvantages, as, particularly in the rural areas, young women are expected to have families and focus on child rearing, as opposed to pursuing careers. That said, there are prominent Gambian women in government, including the vice president and the speaker of the National Assembly, and in sectors such as law. The Gambian constitution prohibits discrimination based on race, gender, language, religion, political or social origin, property or birth status. It does not prohibit discrimination based on sexual orientation or gender expression. Other factors that impinge upon Gambians' equality of opportunity may include sexual orientation, ethnicity and caste. Same-sex relations remain illegal in the Gambia and there are no known public LGBTQ figures. While ethno-religious discrimination is rare, certain minority Islamic groups such as the Ahmadiyya have been castigated by government officials and powerful Imams. The caste system, though not sanctioned in law, remains salient in parts of rural Gambia. The Gambia's National Human Rights Commission has conducted factfinding missions to the Upper River Region and found that de facto indentured servitude exists in some communities.

7.b. Promotion of equal access for men and women to productive and economic resources

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

At the national level, tools in the quest for gender parity and equal opportunity include the Women's Act of 2010 and the Gender and Women's Empowerment Policy 2010-2020, which the government has said is being updated (Dem, 2022; UNEP-LEAP, 2010). Despite these measures, gender equality remains an aspiration in the Gambia, where women's disadvantage in many sectors places the country 121st out of 146 countries, or in the bottom 20%, on the Global Gender Gap Index (World Economic Forum, 2022). Notwithstanding Despite the government's efforts to address unemployment through the private sector as an engine of growth, youth unemployment continues to be a big challenge. In 2018, youth unemployment in The Gambia was at 41.5%. Youth unemployment in rural areas, however, was 69.4%, while youth unemployment in urban areas was 30.6%. At the gender-disaggregated level, male youth unemployment was 44.7%, while female youth unemployment was 55.3%. And, youth unemployment in rural areas for males and females was very high – 67.2% for males and 71.2% for females. This compares with the 32.8% and 28.8% youth unemployment levels in urban areas for males and females respectively. At the global level Gender Equality and Women Empowerment SDG -5 is one of the key goals in the attainment of the SDG's (GEWE) by 2030. Additionally certain targets are set to ensure countries take the necessary measures and actions to end all forms of discrimination against women and girls. In line with this global agenda the Gambia is signatory to several international and regional protocols that seek to secure the rights of women and girls including the Convention to end all forms of discrimination against women (CEDAW). At the national level the Constitution of the Gambia guarantees women their full rights as citizens in addition to other national legal instruments. The Women's ACT domesticates the provisions of the CEDAW further strengthening the rights of women in society. Apart from the strong legislative environment to protect women the Country has registered some other significant milestones in attempt to empower women notably, the increase in judicial appointments. On the political front women/s participation in politics is seen to be on the decline. Women representation in the National Assembly remained the same between 2016 and 2019, from 10.0% in 2016 (45 male 5 female) to 10.3 percent in 2019 (52 male 6 female). By 2022 Only 3 out of 19 Cabinet Ministers are female, representing 21.0% of Cabinet. Entrenched cultural beliefs, attitudes and practices towards female leadership and women not possessing the confidence to attempt governance or decision making are key factors for decline in political participation. In 2017, Out of a total number of 20 judges in the superior courts, 10 are women and 22 out of the 42 magistrates in the subordinate courts. Gender parity has been achieved at basic education level, the ban on FGM, high prevalence of use of family planning, the total demand for family planning among currently married women increased from 34% in 2013 to 43% in 2019-20; 40% of the total demand is satisfied by modern methods, and participation of women in peace keeping, Successes have also been registered with vegetable gardening and horticulture protecting women against GBV especially during COVID 19, and expanded space to deliberate on women's issues. Despite this progress challenges to women's advancement remain inhibited by deeply rooted societal norms and barriers. These barriers

include and not limited to, financial inclusion and women's overall participation rate in the workforce which is lower than that of men. About 57% of women are economically inactive and women on average earn US \$700 less than men. In addition, women reported lower education levels and lower awareness and understanding of financial products than men – 62% of Gambian women have no schooling compared to 49% of men adult female literacy is 34%³⁹. Women's low participation in the economy, their low level of literacy and skills have exacerbated their Poverty. A recent survey by Afrobarometer (<https://www.afrobarometer.org/wp-content/uploads/2023/07/AD663-Gender-equality-in-Gambia-Citizens-demand-greater-government-efforts-Afrobarometer-1july23.pdf>) shows that women trail men in educational attainment, asset ownership, financial autonomy, political leadership. For example, more than two-thirds (67%) endorse equal rights to own and inherit land. However, too, men (59%) are less likely than women (76%) to believe in equality. (Figure 5). Support for equality in land ownership is significantly weaker in rural areas than in cities (57% vs. 74%), among poorer citizens (58%, vs. 76% of the best-off citizens), and among respondents with primary schooling or less (56%-65%, compared to 70%-72% among more educated citizens). For most Gambian women, access to land and resource rights is largely mediated by the social status of their husbands, their own marriage status or, in the case of single or divorced women, through their immediate male relatives (UN-HABITAT, 2006). A study by IFAD (2021) estimates that ...it is estimated that less than 20% of leases were registered to women in the last 10 years in The Gambia.

7.c. Men and women equal status and protection under the law

Score Type	Value
Draft Score	3.5
Reviewed Score	3.5
Second Draft Score	3.5
Final Score	3.5

Country Notes:

Gender equality and women empowerment have been integral in the Government's development programmes and continue to be central in all policy decisions taken by government geared towards national development. In the area of gender equality and equity, still there is challenge when it comes to female representation in parliament and in top decision-making positions. Gender-Based Violence (GBV) including Female Genital Mutilation/Cutting (FGM/C) continues to be practiced in some communities despite a law banning it. The proportion of girls and women aged 15– 49 years who have undergone FGM/C has slightly dropped from 75% in 2013 to 73% in 2019 (GDHS 2019- 20). This is an indication that FGM/C is still widely practiced in The Gambia, as 46% of women reported that the practice should not be continued. This slight progress was registered through continuous sensitizations, advocacy, campaigns, and training conducted by the MoGC&SW and its partners. Challenges such as inadequate enforcement of the law, traditional and religious misconceptions of FGM/C, and under-reporting of cases were encountered. The Ministry of Gender, Children and Social Welfare in collaboration with UNFPA created a Women's Empowerment Centre for Victims of sexual and gender-based violence in 2021, due to the plight of the survivors. This was established to provide support to victims of Sexual and Domestic Violence. It is a temporal shelter, which provides accommodation, health care, and counselling support services to victims.

The center is also equipped with functional GBV case management systems. However, this center is inadequate to cater to the needs of all survivors. Therefore, it is recommended to establish more centers for survivors of domestic violence and allocation of more funds toward the rehabilitation of victims and survivors. Overall, the Gender and Women Empowerment Policy is currently being reviewed for the period 2021-2025. The Domestic and Sexual Violence Act had also been reviewed in 2020. Skin Bleaching Act is repealed, Women in Peace Building, Resolution 1325 Action Plan is being revised for 2021, Civil Marriages Act is being amended, the Married Women Property Bill is also prepared in 2020, Force Labour Bill is also designed in 2020 as well as the Christian Marriages Bill. Also, the current Gender policy is being reviewed to cover the period 2021-2030. All these initiatives are geared towards protecting women's rights, as enshrined in the CEDAW, of which The Gambia is a signatory. In regard to legislative texts enforcement mechanism efforts, the 2020 Married Women Property Bill, Civil Marriages Act being amended, and the Force Labour Bill if enacted and enforced, can address some of the issues highlighted above.

08. Equity of Public Resource Use

Criteria Score: 3

8.a. Poverty Measurement

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

The Gambia has made significant progress towards reducing poverty in the last decade. With an annual GDP averaging 6% from 2003-2006 (MoFEA, 2011) and a decade-long commitment to its comprehensive poverty reduction strategy, poverty rates in The Gambia fell from 58% in 2003 to 48.4% in 2010 (ibid). Despite these achievements, however, extreme poverty remains widespread, with nearly 40% of the population existing on less than US\$1 per person per day (GBS, 2010). However, recent data shows that due to the impact of Covid-19 and the food and energy crises, poverty has increased to 53.6% in 2020. The Gambian population is impacted by various and mutually reinforcing risks. Environmental shocks and stresses (such as droughts, floods, and over-exploitation of natural resources, particularly in the form of deforestation) have been increasing in frequency, with important consequences for people's incomes, food and nutritional security, health status, and general wellbeing. These natural hazards are likely to become even more commonplace in the future, as expected effects of climate change. People's livelihoods are particularly affected by numerous challenges such as low returns on labour, inadequate support for entrepreneurship development, and harvest failures among farming households. The limited capacity of the formal labour market forces most people to engage in precarious low-paid employment in the informal

sector and agricultural work. Young people in particular face disadvantages regarding the labour market. Economic, environmental and health risks have translated into high levels of food and nutrition insecurity, while the national malnutrition prevalence rate of 9.9% verges on emergency level in terms of severe malnutrition. Key strategies by the Ministry of Public Services (MOPS) to improve monitoring and evaluation of public program include: improving public sector governance through policy formulation, implementation, monitoring and evaluation; systematically and continuously inform, educate and communicate to all public servants the necessity to observe the code of ethics/conduct and General Orders; institutionalize regular audits of MDAs on compliance with standards, rules and regulations; and undertake Regular policy mapping. The Gambia is a poor country and, as measured by the Human Development Index (2019: 0.496, rank 172), in the bottom tier of countries in sub-Saharan Africa (almost all countries ranked below the Gambia have experienced significant conflict in the previous two decades). The amount of HDI loss attributable to inequality is also high (2018: 32.5%), in the upper third of African countries. Of the population 38.5% lives on less than \$3.20 a day (2015). Poverty is more pronounced among the rural population and those with less education than among the urban or educated. The Gambia is more equal, as expressed in its Gini index (2015: 35.9), than most of the region and about on par with several countries in Eastern Europe. The Gender Inequality Index was 0.612 in 2019.

8.b. Public Expenditures: Priorities and strategies

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

The government expenditure constitutes both capital and current expenditure. The main driver of government expenditure has been current expenditure. From 2004 to 2021, the average current expenditure and capital expenditure as a share of GDP were 11.6% and 6.1%, respectively. To enhance national productivity in the productive sectors of the economy, capital expenditure as a share of GDP needs to be increased through expenditure rationalization. The Barrow government has, like its predecessor, formulated a comprehensive National Development Plan (NDP) that includes eight strategic priorities: 1) continued reform to support good governance and human rights, 2) economic stabilization and growth, 3) modernization of agriculture and fisheries, 4) investment in people and social services, 5) infrastructure development, 6) promotion of tourism for sustainable growth, 7) investment in youth and 8) leveraging the private sector for growth. The COVID-19 pandemic did not induce any adjustments of the NDP's strategic priorities but created additional challenges to their implementation. The Gambian government's basic administrative structures are unevenly distributed across the country, with more effective administration generally in urban and coastal areas. Some 60% and 90% of Gambians have access to sanitation and water, respectively, which is comparatively high by regional standards. Communication facilities are also unevenly distributed. For example, according to the 2013 census, while over 80% of urban Gambians (mainly in the coastal area) have access to television, only around 40% of rural Gambians have access to

one. A clear discrepancy is seen in connections to the national electricity grid, with 90% of households in Banjul connected compared to 10% in Kuntaur (the most rural local administrative unit). A 2019 USAID assessment of The Gambia's health sector found that 40% of rural villages lack a community health worker and large health facilities are limited to the greater Banjul area and a few others, such as Bansang Hospital in Janjanbureh.

8.c. Regressive Tax

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

The Gambia's new Government is facing a series of economic challenges, particularly in the area of public finance. The State continues to have an important role in the economy; virtually all state-owned enterprises are in financial distress. High government borrowing combined with tight monetary policy conditions, resulting in very high interest rates, has crowded out the private sector. While the country is open to foreign investment, economic growth has been hampered by weaknesses of the business environment, including a complex tax system and infrastructure bottlenecks. Foreign direct investment (FDI) flows to The Gambia have been volatile and remain far below levels preceding the global financial crisis. The Gambia's tax system comprises a host of taxes and charges. The Government's principal sources of revenue are "international trade taxes" (i.e. customs duties, excise taxes and VAT collected on imports). Entrepôt trade (including importation of goods destined for re-exports) is subject to these taxes. The country uses a Pay As You Earn (PAYE) system, so you need to deduct taxes on your employees' gross employment income. The Gambia has a progressive tax system that goes up to 25% depending on the employee's income level. In the Gambia, corporate income tax is payable on assessable profits of a company (including a branch of a foreign company) at a rate of 30%. If profits are below the "minimum income tax" threshold, the total revenue of an enterprise is subject to the tax at a rate of 1.5%. Capital gains tax is imposed on the consideration received or increase in the capital value of a capital asset between the date of acquisition and the date of its disposal. For a partnership, company or trustee, the tax is charged at 25% of the capital gain arising on disposal, or 10% of the sale price, whichever is higher. Capital gains of less than D 7,500 are exempted from the tax; exemptions also are applied to the sale of agricultural land, and a gain derived by a governmental institution or a charitable organization. A withholding tax is applied at a rate of 15% to receipts from interest, dividends, royalties, and consulting and technical service fees, except that a rate of 10% is applied to a person who retains the services of a contractor or subcontractor to carry out work, or supply labour or materials. The withholding tax is not applied to the interest paid to financial institutions.

09. Building Human Resources

Criteria Score: 3

9.a. Health and nutrition services

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

A 2019 USAID assessment of The Gambia's health sector found that 40% of rural villages lack a community health worker and large health facilities are limited to the greater Banjul area and a few others, such as Bansang Hospital in Janjanbureh. The Gambian government is committed to equitable access to health. Health care is available to Gambians provided they can pay relatively modest fees at the time of service. Overall, Gambian government health expenditures make up around 8% of the government budget according to a 2019 USAID study, compared to a mean of 10% for the region. The right to health is protected as a fundamental objective and principle of State policy under the 1997 Constitution although not guaranteed as a fundamental human right in the 1997 Constitution. Various laws enacted by the government including the Women's Act and the Children's Act ensure protection of right to health in addition to the Gambia being a party to the International Covenant on Economic and Social Rights which requires the government to use available resources and international assistance and cooperation to guarantee the right to health to all people in its country. According to The Situation analysis report (May 24, 2022) The Gambia has seen a 36% reduction in the maternal mortality ratio from 932 deaths per 100,000 live births in 2000 to 597 deaths per 100,000 live births in 2017. However, the country still has one of the highest maternal mortality rates in the world. Infant mortality rate decreased by 47%, from 53 infant deaths per 1,000 live births in 2000 to 28 deaths per 1,000 live births in 2019. Under-five mortality rate also declined from 109 deaths out of every 1000 live births to 57 deaths per 1000 live births (MICS 2018). These are slight improvements but a look at the current situation will show that greater investments need to be poured into the health sector to improve the health of children. The findings from the regional and ward consultations have revealed that malaria, teething, chest pains, pneumonia, diarrhea are major diseases affecting children. The prevalence of malaria among children aged 6-59 months decreased from 2% in 2013 to less than 1% in 2019-2020. In 2018, malaria was responsible for 7% of deaths among children under-five (MICS 2018). This justifies continued support to the sector. Life expectancy has improved to 62.23 years during the past decade in the Gambia, with a target of 75 years. This is an improvement compared to other West African countries, which is 57.9 years (WHO Database, 2022). According to the DHS 2019/2020, maternal mortality rate has been significantly reduced from 433/100,000 to 289/100,000 live births and the country is expected to reduce MMR to 70/100,000 live birth by 2030 (Gambia National Health Sector Policy, 2021). In the same vein, the infant mortality rate has dropped to 42/1,000 and government aims to reach 12/1,000 or even less by 2030. The country has also registered a significant gain in reducing the under-five years' mortality rate of 56/1,000 and aims to reach 25/1,000 by 2030. Although the Gambia has not reached its target in reducing MMR, Infant, and child mortality, there has been a massive improvement in some indicators. Gains have been registered in reducing neonatal deaths to 29/1,000, with a target of 12/1,000 live births or less.

For The Gambia, the total losses associated with children undernutrition in 2018 (base year for analysis) are estimated at GMD 3.96 billion or USD 83.4 million which equivalent to 5.1 % of GDP Over the past decade, the Gambia has registered some progress in improving the nutritional status of children, particularly the reduction of the prevalence of stunting, wasting and underweight among children under five years of age. According to the recently published Gambia Micronutrient Survey(GMNS) conducted in 2018, stunting among children under five years was 15.7 %, down from 24.5 % according to the 2013 Gambia Demographic and Health Survey (GDHS). Underweight and wasting were 10.6 % and 5.8 % down from 16.2 and 11.5 % respectively. Despite this overall progress, child undernutrition remains unacceptably high in The Gambia. The *UNICEF* SITAN provides some additional risk indicators citing gender differentials and rural urban variations as follows: a) Only 55.2 % of infants under 6 months of age are exclusively breastfed (MICS 2018). Contrary to the recommendation that children under 6 months be exclusively breastfed, 35 % of infants consume plain water, four % consume non-milk liquids, three % consume other milk, and 11 % consume complementary foods in addition to breast milk. b) Vitamin A Supplementation remains quite low in The Gambia, however, it did peak to 99% in 2010, after which it declined to 27% in 2015 and 30% in 2018. 43% of children are deprived of Vitamin A supplements and 24% of children live in households without Iodised salt. c) Boys are more likely to be stunted, wasted, and underweight (19%, 6%, and 13%, respectively) than girls (16%, 4%, and 10%, respectively). Stunting prevalence decreases with increasing household wealth. d) Children in rural areas were more likely to be underweight (16%) and stunted (22 %), compared to children in urban areas (13 % and 17% respectively). There were not notable differences between children in urban and rural areas when it comes to wasting e) Rural Children (4.2 months) have a longer median duration of exclusive breastfeeding then urban children (2.5 months f) Children fed a minimum acceptable diet is lowest in Janjanbureh (8%) (rural) and highest in Brikama (18%) semi urban. Minimum acceptable diet low for children whose mothers have no formal education.

9.b. Education, ECD, training and literacy programs

Score Type	Value
Draft Score	2.5
Reviewed Score	2.5
Second Draft Score	2.5
Final Score	2.5

Country Notes:

Although the compulsory education provision is not fully enforced, critical barriers such as school fees and levies have been removed in all public schools from primary to secondary schools. However, there are substantial private costs to access education. The abolishing of school fees and levies has bolstered enrolment of girls at all levels leading to achievement of gender parity and even tilting it in favor of girls. The 2018 Multi-Indicator Cluster Survey (MICS,2018) reported a gender parity index of 1.06 for Primary, 1.23 for Lower Secondary and 1.1 for Upper Secondary Schools. Although, there have been improvements in

primary schooling with about 80% completion rates for girls and boys, yet numbers get lower for women at the tertiary level with more boys completing higher education levels than girls. It is important to address this gap in girls' tertiary education, as increased enrolment for girls and their completion of secondary school is a positive sign for access to services for families, awareness of other rights and potential for improved livelihood. Although successive Gambian governments have made gender equitable access to education and other opportunities a priority, inequities remain. Female literacy is at just over 40%, compared to just over 60% for men.

Children can spend 3 – 4 years in pre-primary school which they must complete before they enter primary school at age 7 years. Although the Gambia Government encourages and supports pre-primary schooling it has not made it mandatory despite it being a popular international best practice. Significant progress in school readiness will be achieved if at least one year of mandatory pre-primary school experience is implemented. In 2018, 79.6% of the wealthiest and 63.5% of the poorest children attending first grade of primary school had attended pre-school the previous year (MICS, 2018). Pre-school experience is essential for school readiness as it provides opportunity to stimulate cognitive, physical and socio-emotional development in children. In The Gambia about 72% of primary and 44% of lower secondary school children are enrolled at the right-age while up to 23% of primary and 53.6% for lower secondary children are up to 2 years or more years older than the age for their current class (MICS, 2018). As right-age enrolment is one of the most important indicators for internal efficiency of an education system and overage enrolment can drive large class size which will affect organization of teaching and learning; the notable disparities between primary and secondary levels further indicates the social exclusion *vulnerability within the education sector*. Furthermore, a significant challenge in The Gambian education system is the low level of foundational reading and numeracy. Only 12.5% (urban – 15.8% and rural – 6.6%) of children aged 7 – 14 demonstrated foundational reading skills and 3.5% (urban – 5.1% and rural – 0.7%) demonstrated foundational numeracy skills (MICS 2018). The urban-rural disparity in foundational reading and numeracy is very clear. These are skills that are critical and essential for all future learning experience. The World Bank calls this learning poverty, wherein children of age 10 years cannot read simple text. With fewer children accessing alternate ways of curriculum delivery through radio and television, the learning crisis will become a bigger challenge which would require many years for catch up, if it ever happens for some children. It is therefore urgent that national education investments be driven by the need to significantly improve the foundational reading and numeracy skills of children using innovative ICT techniques.

Overall, the country does have a national education strategy in place, and there has been some progress in improving access to education in recent years. For example, the net enrollment rate for primary education has increased from 73% in 2000 to 91% in 2019. On the other hand, there are still significant challenges that need to be addressed. For example, the quality of education remains low, and there is a high dropout rate, particularly at the secondary level. Additionally, there are large disparities in access to education between rural and urban areas, and between boys and girls.

9.c. Prevention and treatment of HIV/AIDS, tuberculosis, and malaria

Score Type	Value
Draft Score	3.5
Reviewed Score	3.5
Second Draft Score	3.5

Final Score	3.5
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Country Notes:

The Gambia's health sector has significantly reduced the transmission of HIV/AIDS, Tuberculosis, neglected tropical diseases and other communicable diseases. The national response has been strengthened in terms of emergencies (outbreaks, emerging diseases, and other emergencies) and access to sexual and reproductive healthcare services, including family planning, information and education, has also improved in the sector. Capacity in climate change early warning, risk reduction and management of national and global health risks has also improved. There has been a slight reduction in malaria cases in 2018 (40.6/1000 population) to 2021 (30.1/1000 population) and inpatient malaria deaths from 60 in 2018 to 42 in 2021 (HMIS Service Statistic Report, 2021). In terms of NCDs, poor behaviours and lifestyles towards the risk factors to NCDs is resulting to increasing incidence and prevalence of NCDs in the country. There is still high prevalence of Tuberculosis among the population and HIV/AIDS prevalence has only slightly decreased. For the indicator, HIV and AIDS prevalence general population aged 15-49, the baseline is, as per the 2013 DHS, 1.9%. HIV testing was not included in the subsequent DHS 2019-2020. Going by the surveillance data from the 2020 sentinel study, national HIV prevalence at the Mid-term of the NDP falls short of the target, 1.52%, against a target of 1%. Achievement as of 31st December 2021 can be measured using the spectrum or programmatic data since the DHS, and the NSS are not available. The Spectrum indicates a national HIV prevalence of 1.68%. For the indicator % of the eligible population with HIV having access to ARV, there has been a significant increase in the number of people having access to ARVs, following the adoption of the test and treat strategy. However, this particular NDP target is also not met. From the program data, coverage for ARV at baseline was 25% (SPECTRUM, 2016), at NDP mid-term, it was 30%, while achievement on 31st December was 33%. In regard to HIV prevention, the Ministry of Health is working with civil society organisations, community health workers and community leaders to: create awareness on e-MTCT and mobilize pregnant women to visit ANC sites.; conduct meetings with National Assembly Members to build the advocacy for e-MTCT at their constituency level; and to advocate for funding for PMTCT from the government budget; training of all ANC staff to enable these sites to provide PMTCT and EID services; provision of HIV test kits and commodities for HIV testing; provide and retain trained staff at PMTCT sites; provide adequate funding for the expansion of the services to all the health facilities in the country; make available lab commodities at the PMTCT centres; increase lab staff at the sites; implement the Stigma reduction strategy; intensify community involvement and participation as well as HIV sensitization. Malaria cases have been surging hampering achievement of the malaria pre-elimination stage. There is high prevalence of NTDs such as Schistosomiasis in Central River Region (CRR) and Upper River Region (URR) and a high number of youths with drug-induced psychosis and high number of relapse cases at the inpatient facility. The prevalence of malaria among children aged 6-59 months decreased from 2% in 2013 to less than 1% in 2019-2020. In 2018, malaria was responsible for 7% of deaths among children under-five (MICS 2018). This justifies continued support to the sector. The Ministry of Health has put in place an effective and efficient malaria surveillance system with the following features: support testing all individuals with suspected malaria and recording all confirmed cases; supporting the identification, investigation, classification and management of all transmission foci with appropriate measures to terminate transmission as soon as possible; including community case detection, confirmation and reporting of malaria cases.

10. Social Protection and Labor

Criteria Score: 2.7

10.a. Social safety net programs

Score Type	Value
Draft Score	2.5
Reviewed Score	2.5
Second Draft Score	2.5
Final Score	2.5

Country Notes:

The Government of the Gambia established National Social Protection Secretariat (NSPS) under Office of the Vice President to support the National Social Protection Steering Committee in providing leadership and coordination across the totality of social protection efforts in The Gambia. Since its establishment in 2019, NSPS has helped to provide much needed coordination in the social protection sector in the Country. Principally, it has among others revitalized the National Social Protection Steering Committee (NSPC) into an active and authoritative body that is spearheading policy/decision making on social protection issues. In line with the NSPP, the government of The Gambia is developing the first ever Social Registry System to serve as a common platform for eligibility determination for social protection interventions. A social protection policy (NSPP) 2015-2025 is also in place. The following are key institutions making solid contributions to strengthening the social protection efforts in the country.

The Ministry of Gender, Children and Social Welfare: In line with the National Development Plan (NDP) 2018-2021, the ministry has developed a strategic plan (2021-2025) to guide its operation and achieve its goals. Under the purview of the Ministry, the National Disability Bill was enacted and a draft policy on People with Disability (PWDs) is being prepared to protect and enhance the empowerment of PWDs. Furthermore, in order to address capacity gaps of key ministries and institutions in social protection, the ministry through the support of the European Union conducted a situational analysis and capacity training needs assessment report in 2021 to build the capacity of government officials and NGOs in social protection. In addition, the ministry has also developed a National Child Protection Strategy 2016-2020 in line with the NDP. Currently the social welfare policy is also under review to make it relevant with current realities.

The National Nutrition Agency (NaNA): NaNA is working with different sectors that are players in Social Protection in line with the NSPP. Currently, the Agency is implementing the SSNP together with DCD, DSW and NSPS. The project is supporting the establishment of a Social Registry (SR) and providing cash transfers to 14,700 households accompanied with Social and Behavioural Change Communication (SBCC). In addition, the Agency works with various UN Agencies in the Gambia and supports implementation of social protection interventions.

The National Population Commission Secretariat: In line with its mission, the secretariat developed a National Population Policy (NPP) in 1992. The Policy has gone through several revisions with latest in 2021. The policy aims to address and incorporate all population issues into national development planning and policies. Issues relating to food security, poverty alleviation, sexual and reproductive health, youths and Adolescents in harnessing the demographic dividend emerges to be a key priority area of intervention that also have a positive impact on social protection.

10.b. Protection of basic labour standards

Score Type	Value
Draft Score	2.5
Reviewed Score	2.5
Second Draft Score	2.5
Final Score	2.5

Country Notes:

ILO Convention 182 defines the worst forms of human exploitation as child labour, child trafficking, the sale of a child, bonded labor, forced labor, use of children in armed conflict, commercial sexual exploitation of children, use of children in the commission of crimes including trafficking and production of drugs. The population of street children is very high in the Gambia, particularly in border towns. They are nicknamed "Almodous" and community members think they are at least 60% of them are from neighboring countries. This figure is not validated; however, the fact remains that more needs to be done in securing shelter for these street children, they need to be given skills through vocational training for them to become useful members in their communities. Government measures have been adopted to reduce this phenomenon. The authorities take children to transit centers where they try to return them to their families. There are, however, not enough resources to care for all the children, who, moreover, resent this. Many children thus still live and work in the street and remain vulnerable to adults and other children. They are often malnourished, live half naked, are beaten, and exploited. The International Labor Organization reported potential gaps in law or practice with respect to international labor standards, including reporting on Gambia's ratified Fundamental Conventions. Every three years, the government must submit a report on the implementation of these Conventions. The Department of Labor has reviewed all labor laws that are pending National Assembly approval for more than ten years. This includes the labor bill, the trade union bill, the factory bill, and the compensation for injuries bill. The labor migration strategy, pre-departure training manual, and ethical recruitment guidelines are all new developments. The Gambian Department of Labor (DOL) settles individual and collective conflicts by inviting parties to a tripartite meeting to conciliate or mediate with the goal of amicably settling the matter. If the matter is not resolved within a month, DOL refers it to the industrial tribunal for resolution (Sections 90, 91 & 92 of the Labor Act 2007).

10.c. Labour market regulations

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

As of 2021, the total labor force in The Gambia stood at 907,836, according to the World Bank collection of development indicators. Total labor force comprises people ages 15 and older who meet the International Labor Organization definition of the economically active population: all people who supply labor to produce goods and services during a specified period. It includes both the employed and the unemployed. While national practices vary in the treatment of groups such as the armed forces and seasonal or part-time workers. In general, the labor force includes the armed forces, the unemployed and first-time job seekers, but excludes homemakers and other unpaid caregivers and workers in the informal sector. In 2019, the labor force participation rate is 60.75%. The Gambia suffers from high unemployment and underemployment, compounded by a shortage of skilled workers and trained professionals. About 59% of the individuals in the labor force have no formal education. Many of the skilled workers in the construction and mechanical industries are foreigners from neighboring countries. However, many Gambians are now taking up these trades and the government has taken extraordinary steps to increase primary and secondary school enrollment. Several government policies require the hiring of nationals, including the Labor Act of 2007, The Payroll Tax Act of 2008, and the Social Security Act. The Labor Act of 2007 and its regulations provide the legal framework for labor relations in The Gambia. The Ministry of Trade, Regional Integration and Employment enforces the Act. It covers most conditions of employment, including dismissals, recruitment and hiring, registration and training, protection of wages, registration of trade unions and employees' organizations, and industrial relations in general. The Act also contains procedures for the settlement of disputes, including an industrial tribunal. Minimum wages and working hours are established through six joint industrial councils: commerce, artisans, transport, port operations, agriculture, and fisheries. Private-sector employees receive between 14 and 30 days of paid annual leave, depending on length of service. There are no additional/different labor law provisions in special economic zones, foreign trade zones or free ports compared to the economy. No new labor related laws were enacted during the last year. Depending on how the person's wage is paid, one or two months or weeks' notice is required under section 55 of the Labor Act 2007. In Gambia, there is no unemployment insurance, though laid-off workers are entitled to a portion of their social security contributions. In The Gambia, collective bargaining is uncommon. The Gambia has no organized trade unions. As a result, there is no data for The Gambia in ILOSTAT for Collective Bargaining Agreements (CBA) and Trade Union Density, even though The Gambia has ratified Convention 98. The DOL plans to hold a public awareness campaign about the importance of collective bargaining at the enterprise and sectoral levels. There were no strikes during the last year that posed an investment risk. There are no serious questions of compliance in law or practice with international labor standards that may pose a reputational risk to investors.

10.d. Community driven initiatives

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

The adverse impacts of Covid-19 and Climate change at community level, and the worsening situation with regards to vulnerability, poverty, livelihoods and food and nutritional security underscores a high degree of stress and fragility at household and community level in all regions of the country. This conclusion is backed by the findings of several surveys and assessments undertaken by several agencies. The consultations also identified many examples of coping strategies deployed by communities which can be built upon. Exposure of communities and households to multiple shocks and crisis – such as from Covid-19, Climate Change and the Russia-Ukraine war - against a backdrop of rising fragility, food insecurity, vulnerability and poverty requires that government launch/strengthen initiatives to complement national sectoral programmes to address the effects of these combined shocks and build resilience at household and community levels. While government and partners have been implementing many national programmes to address most of these problems, it appears that these often do not address immediate needs of communities, their implementation is plagued by bureaucratic obstacles and they often take time to mature and have an impact. To address vulnerabilities and strengthen resilience to shocks, government over the plan period will undertake two major but complementary initiatives as follows: 1. An expanded social protection programme targeting poor households and individuals, drawing upon the latest poverty and vulnerability data, and building on the Nafa programme funded by World Bank and government; and 2. A community-based programme to build resilience to shocks through improved and accelerated local development initiatives by extending the scope of the Programme for Accelerated Community Development (PACD) funded by UNDP and Government. Major non-governmental organizations and relief organizations provide ad hoc social services. These include a cash transfer program and targeted health care interventions, which are however vulnerable to the exigencies of external funding. During the COVID-19 pandemic, the Gambian government took measures to alleviate some of the economic and human impact, including collaborating with UNICEF to provide cash payments and essentials such as rice to some vulnerable families with children. It also extended certain tax payments.

10.e. Pension and old age savings programs

Score Type	Value
Draft Score	2.5
Reviewed Score	2.5
Second Draft Score	2.5
Final Score	2.5

Country Notes:

The Social Security and Housing Finance Corporation (SSHFC) Act has made it mandatory for every employer to register all the employees under his/her employment. An employer who defaults in registration or payment of remittance to SSHFC breaches the Act and may be subjected to pay penalty and interest without any cost on the employee. The SSHFC has a Pension Scheme that is contributed by the employer without deduction from employee's salary. The concept of the Provident Fund and Pension scheme is to protect a worker from loss of income in old age when he/she has retired is no longer able to work. Thus, granting workers in formal employment social protection. The implementation of Public Service Pension Act 2022 and the implementation of a new pay and grading system are also a priority. The Gambia's formal social welfare net is limited. Many Gambians are reliant on whatever support they can receive informally through their extended kin or the kafo system. Pensions are provided to government civil servants. The Gambia's Social Security & Housing Finance Corporation (SSHFC) provides an additional pension scheme, which is limited to employees of public or quasi-public entities. Private retirement benefits are rare. SSHFC also runs a fund for compensating industrial injuries and offers fixed rate mortgages. SSHFC has been dogged by allegations of financial impropriety. In 2016, the Gambian government launched a UNICEF-supported social protection program aimed at children and the poorest Gambians to improve food security, education and resilience to transitory shocks. However, it has yet to yield concrete and far-reaching success as its funding mechanism remains unclear.

11. Environmental Policies and Regulations

Criteria Score: 4

11. Environmental Policies and Regulations

Score Type	Value
Draft Score	4.0
Reviewed Score	4.0
Second Draft Score	4.0
Final Score	4.0

Country Notes:

The 2016 Gambia's National Climate Change Policy represents the country's determined, systematic response to interlinked climate threats to sustainable development, wellbeing, and ecological integrity. In 2022, The Gambia developed an ambitious plan for achieving net-zero greenhouse gas emissions by 2050: the Long-Term Climate Neutral Development Strategy 2050 (LTS). This strategy's mitigation actions include meeting 56% of the country's energy needs by hydropower. The remaining 44%, which is equivalent to 161 GWh, can be provided by wind and solar power. This will enable the country to achieve net zero greenhouse gas emissions in this sector by 2050. The LTS builds upon The Gambia's National Climate Change Policy, the NDC 2021 and The Gambia 2050 Climate Vision. It will complement the

forthcoming Green Recovery-focused NDP, 2023-2027 and Long-Term Development Vision (Vision 2050), currently being formulated under the coordination of the Ministry of Finance and Economic Affairs. The LTS and its subsequent revised versions shall guide the government of The Gambia in future climate commitments under the United Nations Framework Convention on Climate Change (UNFCCC), including NDCs and National Communications. The Gambian population is impacted by various and mutually reinforcing risks. Environmental shocks and stresses (such as droughts, floods, and over-exploitation of natural resources, particularly in the form of deforestation) have been increasing in frequency, with important consequences for people's incomes, food and nutritional security, health status, and general wellbeing. These natural hazards are likely to become even more commonplace in the future, as expected effects of climate change. The Gambia made significant progress in ensuring that the Agriculture and Natural Resources Sector is guided by policies and relevant laws and regulations. These include the Medium-Term Agriculture and Natural Resources Sector Policy Objectives and Strategy (1998-2002), the National Agricultural Development - Horizon 2010, and the National Food Security Outline. The Gambia Environmental Action Plan (GEAP) was prepared and is one of the frameworks that integrate all subsectors of environmental concerns into the country's socio-economic development objective. Specific to the ANR sector, The Agriculture and Natural Resource (ANR) Policy, 2009 - 2015, was developed, followed by the National Agricultural Investment Plan (GNAIP; 2011 – 2015). After this, The GoTG developed a follow-up policy to the 2009 – 2015 ANR Policy, ANR Policy (2017 – 2026). The policy aims to maximize poverty reduction and enhance food, income and nutrition securities through the optimal utilization of the sector's resources consistent with safeguarding the integrity of the environment. The need to have a balanced approach to using Land is apparent. The scale and magnitude of Land conflicts (PBF conflict and development analysis), depletion of natural resources, and adverse effects of climate change – recent floods- are clear indications. The formulation and delivery of the upcoming land policy and land use plan by the GoTG should be integrated with the participation of all sectors under the ANR. In addition to the stakeholder engagement and approval process, the land development and utilization process for various components of the ANR should involve all sectors under the ANR . As stipulated in the ANR policy 2017-2026, the Ministry of Environment, Climate Change, Water Resource and Parks & Wildlife (MECCWRPW) formulated an integrated water management strategic plan as a framework for water resources development and management. The strategic plan defined seven strategic areas: legal and institutional transformation, water information and knowledge; water resource development and monitoring; climate change implication and monitoring; transboundary water sharing and collaboration; stakeholder awareness and participation; and human resource development. Despite some seasonal variations (dry and rainy seasons), the country has favourable conditions for solar power and slightly higher wind power near the coast, which can be sourced as renewable energy to support increased energy needs of the ANR sector. The high cost of energy production that resulted in excessive per unit cost of production of goods and services has deterred progress in the ANR sector. There is a need for a national intersectoral coordination mechanism to ensure balanced protection and conservation of interventions in a resolute, efficient, effective and sustainable manner guided by the principles of the ANR policy framework.

(D) Public Sector Management and Institutions

Cluster Score: 3.167

12. Property Rights and Rule-based Governance

Criteria Score: 3.375

12.a. Legal basis for secure property and contract rights

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

Property rights and interests are enforced by adjudicatory bodies in The Gambia (such as the High Court, Magistrates Courts, and District Tribunals) to determine land ownership and to make declarations of title to land. Property rights and interests are available regardless of gender. Section 22 of the 1997 Constitution of The Gambia which is under Part IV on Protection of Fundamental Rights and Freedoms, provides for protection from deprivation of property. It states, "No property of any description shall be taken possession of compulsorily, and no right over or interest in any such property shall be acquired compulsorily in any part of The Gambia except where conditions are satisfied." Most land in the greater Banjul area is owned by the state. Land outside the Banjul area is generally held under customary tenure and/or under the custody of district authorities for the districts of their respective regions. Disputes over land ownership and succession, partly due to poor recordkeeping the Lands Office, are a major problem in The Gambia particularly in rural areas. Most conflicts occur when community leaders sell a plot of land to multiple buyers. Land title registration differs depending on the land type. Customary land is allocated by *alkalos*, or community chiefs, for which ownership claims pre-date the existence of The Gambia in its current legal form, is generally not registered. State land is usually registered when it is leased. The leases granted by the state are registered at the Deeds Registry in the Ministry of Justice. Section 17 of the Limitation Act states that making a claim to land held by another person must be filed within 12 years of the date on which the right of action accrued. If an owner knows that other people lay claim to their land but does not exercise their right to land recovery, they may relinquish their right to the property. The legal framework is generally adequate, though there are shortcomings in specific areas. Land record keeping (important for facility construction) is generally subpar in that there is no comprehensive computerized database. There is no credit information index. The rules governing insolvencies have shortcomings (for example, secured creditors have no guarantee of being paid first in case of insolvency). Commercial contracts are generally enforced, including when one of the parties is a government entity, although the process to compel courts to enforce contracts is cumbersome, due to lack of computerization (according to the World Bank's Doing Business ranking, the Gambia is ranked 129 in the world with a score above the regional average). Meanwhile, the judiciary has established rules for the fast-track adjudication of contract under the subsidiary Courts Acts volume II, Cap 6.01 of the high court rule 7 and 9 under Suits for "undefended list" when plaintiff alleges "no defence" and Disposal of undefended suits respectively. Furthermore, the GIEPA Act 2015 also provides for the protection of the rights of investors and safeguards against expropriation. The Gambia is a signatory to both the Paris Convention for the Protection of Industrial Property and the Berne Convention for the Protection of Literary and Artistic Works. The overall rule of law is weak in The Gambia. The country's property rights score of 47.2 in the 2023 Index of Economic Freedom by the Heritage Foundation is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average. Corruption undermines prospects for long-term economic development. Cabinet approved the intellectual property (IP) policy

2018-2023 in 2019 and the implementation process is ongoing. The policy is the basis for The Gambia acceding to relevant international IP agreements as well as the enactment of the IP act 2020. The AfCFTA was also ratified by the National Assembly and has intellectual property components.

12.b. Predictability, transparency, and impartiality of laws affecting economic activity

Score Type	Value
Draft Score	3.5
Reviewed Score	3.5
Second Draft Score	3.5
Final Score	3.5

Country Notes:

The Gambian government uses transparent policies and effective laws to foster competition on a non-discriminatory basis to establish “clear rules of the game.” The Competition and Consumer Protection Commission develops policies and regulate the market to ensure fair competition. In 2007, the Competition Act was passed by the National Assembly to promote competition in the supply of goods and services by establishing a Commission with the authority to regulate the market and ensure that collusive agreements and bid rigging are forbidden. Additionally, the Commission conducts inquiries to monitor restrictive agreements and protect against the formation of monopolies. Post is unaware of informal regulatory processes managed by nongovernmental organizations or private sector associations. The legislative and regulatory process follows a transparent, stakeholder-based approach. Regulations derive their legitimacy from legislation that are normally developed by the responsible ministry or other relevant authority, whereas the regulations are drafted by the Legislative Drafting Department of the Ministry of Justice based on the instructions provided by the responsible ministry. Draft regulations are then posted online for review by stakeholders, after which the cabinet reviews for final approval. The Gambia has a unitary government system, meaning the laws made by the central government are applicable across the country. However, regulations are generally industry or sector specific. Local government authorities have the authority to create bylaws, which are typically limited to environmental or sanitary regulations. The Gambia does not have a centralized online platform for the publication of regulations. However, the various regulatory authorities and ministries normally publish their regulations and laws on their websites. The text on the website is the final version of the regulation or law. The Constitution of The Gambia empowers the National Assembly to oversee the executive branch. The National Assembly has the power to summon ministers and examine the accounts and expenditures of publicly funded bodies. The Competition Act and Consumer Protection Act are currently under review by the Competition and Consumer Protection Commission in consultation with the Legislative Drafting Department of the Ministry of Justice (MOJ). The MOJ is reviewing the Acts to update them with an emphasis on regulating competition and protecting consumers. The regulatory authorities enforce laws, through financial penalties or other legal action. All public accounts are audited by the national Audit Office, which is headed by the Auditor General. The audited accounts are reviewed by the National Assembly.

12.c. Difficulty in obtaining business licenses

Score Type	Value
Draft Score	3.5
Reviewed Score	3.5
Second Draft Score	3.5
Final Score	3.5

Country Notes:

The process of establishing a business in Gambia is theoretically simple. Businesses that build solid relationships with potential local partners are more likely to succeed. Potential investors are actively encouraged to visit Gambia and develop these contacts. The Economic and Commercial Section at post can help potential investors make these relationships. A streamlined business registration process and an environment in which English is the official language facilitates market entry for foreign firms. The Gambia Chamber of Commerce and Industry (GCCCI) is a good resource for locating reputable local firms that can serve as agents, partners, or distributors. Working with a local lawyer is encouraged when registering a business, however it is not necessarily compulsory. The Ministry of Justice, which provides a variety of administrative services to foreign investors, is the point of entry for business registration. The government has lowered the average number of days it takes to start a business in the country during the last few years. On average, obtaining the necessary legal documentation to form a business takes two to three days. The government is seeking to expand its "single window" system, which provides businesses with one-stop government services, opening a new service center at the Kanifing Municipal Council (KMC). The government through the National Business Council is implementing Business Environment Reform (BER) program to create a sustainable business environment for enterprise creation and growth. The reforms are designed to enable the private sector to respond better to potential market opportunities through measures that improve the investment climate, expand access of MSMEs to financial services, and ensure minimum infrastructure and trade-related services to reduce bottlenecks. The reform program consists of six components: (1) Simplifying Business Registration; (2) Improving Tax Administration; (3) Easing access to finance; (4) Facilitating cross-border trade; (5) Strengthening land information system; and (6) Enabling affordable and reliable electricity supply. Under business registration, the aim is to establish a one-stop shop for all business entry services and introduce an electronic platform for business registration. The government has therefore engaged UNCTAD and developed a proposal for the establishment of an online platform for business registration. This is meant to ease the registration of businesses and particularly the MSMEs by reducing the incorporation fee.

12.d. Crime and violence as an impediment to economic activity

Score Type	Value
Draft Score	3.5
Reviewed Score	3.5

Second Draft Score	3.5
Final Score	3.5

Country Notes:

Despite the tumult of the transition, the Gambia, on the whole, is a peaceful society. There is anecdotal evidence regarding a rise in violent crime, but no official statistics have been released to substantiate these claims. There are occasional episodes of violence. These typically fall into one of several categories. One is intercommunal conflicts, typically involving gangs of youth from communities armed with melee weapons (clubs and the like) and occasionally locally made firearms. The root causes of such clashes are typically disputes over land ownership and land use (e.g., contested burial grounds). These sometimes have an ethnic shading, but not consistently. A second category comprises skirmishes related to national politics, including both fights between adherents to the different political parties and heavy-handed responses to protests and demonstrators, in which Gambian security forces engage in undue violence. These incidents are not couched in terms of ethnicity or other identitarian cleavages as such, but ethnic differences are sometimes sublimated into the party system. Both these types of incidents are relatively rare under Barrow. Shortly after the transition, there were a few incidents of violence between ECOMIG soldiers and Gambians, though these do no longer occur. There are ongoing security concerns linked to transnational actors in the Gambia. These include the still-simmering conflict in the neighboring Casamance. As recently as November 2020, the main Casamance rebel faction (MFDC) reportedly threatened the Gambia with an attack if the country supported Senegal's efforts in the region. Transnational crime is another concern with several substantial drug seizures in the Gambia over the last several years. Finally, while the Gambia has been spared Islamist terrorism, this does occur in the region and counter-terrorism is part of the ongoing security sector reform program. There is no evidence that any of these three security concerns have directly led to increased violence between Gambians or that Gambians have been recruited to support these causes. Part of the rationale for the repeated renewals of the ECOMIG mandate is to allow it to support the Gambian government in the fight against transnational crime (including not just drugs, but also other forms of smuggling, such as that of lumber). The constitution guarantees freedom of assembly, but the POA requires event organizers to obtain police permits for public assemblies. In the white paper it released in May 2022 on the findings of the Truth, Reconciliation, and Reparations Commission (TRRC), the government accepted the commission's recommendation to review the POA to ensure that it aligned with international human rights standards. During 2022, protests over deteriorating environmental conditions were denied permits, ostensibly over security concerns. When the protests proceeded without permits, they were met with an armed police presence. In September 2022, commercial drivers protesting bridge-crossing fees were arrested.

13. Quality of Budgetary and Financial Management

Criteria Score: 3.625

13.a. Comprehensive and credible budget

Score Type	Value
Draft Score	4.0

Reviewed Score	4.0
Second Draft Score	4.0
Final Score	4.0

Country Notes:

Between the 2019 and 2021 editions of the Open Budget Survey, The Gambia improved its transparency score by 31 points, making it the most improved country over this period. In addition, the legal framework for public finances has been strengthened: standing orders of the National Assembly now require the Ministry of Finance to submit the Medium-term Economic and Fiscal Framework (MTEFF) to the Assembly prior to the submission of the executive budget proposal. In the near term, the fiscal transparency environment may also be strengthened by the passage of a new Anti-Corruption Bill in the National Assembly, as well as the establishment of a new Human Rights Commission. The Gambia has a transparency score of 35 (out of 100). The Gambia has increased the availability of budget information by publishing (i) the Pre-budget statement, which discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt; (ii) the Executive ' s Budget Proposal - which is submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation; (iii) the Enacted Budget – which correspond to the budget that has been approved by the legislature; (iv) Citizens Budget - a simpler and less technical version of the government's Executive ' s Budget Proposal or the Enacted Budget, designed to convey key information to the public; (v) the In-Year Reports - Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly. The country also increased the information provided in the Executive's Budget Proposal, notably: (i) the Mid-Year Review - a comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes; (ii) the Year-End Report - describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals; and (iii) the Audit Report - issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts. The Gambia has a citizen's budget which clearly summarises the information contained in the budget, which undoubtedly enables the population to easily understand the role, operation and various allocations of the budget. In The Gambia, the budget is prepared and adopted in consultation with the various ministries and institutions (Citizen's Budget 2022, 2023). The Gambia's budget submission is comprehensive, and credible and geared towards poverty reduction. According to the 2022 Citizen's Budget, the education sector accounts for 13.6% of the total budget, the health sector for 10.2% and Transport, Works & Infrastructure for 10%, agriculture for 4%, and fisheries and water resources for 2.4%. The Gambia has a public participation score of 9 (out of 100), which is slightly above Liberia (6 out of 100) and Senegal (4 out of 100). The Gambia's Ministry of Finance and Economic Affairs has established public consultations during budget formulation but the extent of opportunities for public participation in the budget process from formulation, approval, implementation and audit. The legislature and supreme audit institution in The Gambia, together, provide limited oversight during the budget process, with a composite oversight score of 52 (out of 100). Taken individually, the extent of legislative oversight is limited (44 out of 100) while audit oversight is adequate (67 out of 100). With a score of 55.3 (out of 100.0), The Gambia ranks 16th (out of 54) in overall Governance in 2021, in the 2022 Ibrahim Index of Good Governance.

Sources:

· <https://internationalbudget.org/sites/default/files/country-surveys-pdfs/2021/open-budget-survey-the-gambia-2021-en.pdf>

<https://assets.iiag.online/2022/profiles/2022-IIAG-profile-gm.pdf>

file:///C:/Users/mzm3915/Downloads/2022-Citizens-Budget.pdf

13.b. Effective financial management systems

Score Type	Value
Draft Score	4.0
Reviewed Score	4.0
Second Draft Score	4.0
Final Score	4.0

Country Notes:

The Gambia finalized the legal framework of key PFM reforms and plan to initiate a new phase of governance and anti-corruption reforms. Since 2021, quarterly reports have been published by the Ministry of Finance and Budget, enabling the budget to be monitored and controlled. The Gambia has had a citizen's budget since 2022, which is an important tool for clarifying the budget to the citizens. According to the execution report for the fourth quarter of 2022, the State budget execution rate is 83.03%. The According to the IMF article IV report of June 2023, highlighted significant progress on key reforms on the implementation of PFM, SOEs, governance and anti-corruption, and these include:

(i) Enforcement of performance contracts with SOEs: The government is currently implementing SOE reforms anchored on the signing of Performance Contracts (PCs). The government also signed performance contracts with three additional SOEs including GNPC, GPA, and SSHFC in February 2023, all geared towards strengthening their financial and operational efficiencies. The performance contracts will be monitored by MoFEA on an annual basis, and detailed reports recommending specific actions to be taken will be sent to the Executive.

(ii) SOE bill approval: The bill was approved in March 2023 by the National Assembly. It centers on the creation of an SOE Commission that will serve as an oversight and regulatory body for all SOEs. It will strengthen the SOE governance framework, especially in the areas of reporting requirements, transparency initiatives, and a merit-based system for the selection of Board members.

(iii) The PFM bill has been reviewed, validated, and was approved by Cabinet in March 2023. It will be shortly submitted to the National Assembly.

(iv) The Anti-corruption bill was submitted to the National Assembly; it is currently at consideration stage and was approved by end-June 2023. With the Anti-corruption bill passed, the government will set up the anti-corruption commission and revamp the assets declaration framework.

(v) The PPP bill has been developed, validated with stakeholders, and shared with the Ministry of Justice for review and submission to Cabinet. The government is developing a national policy on PPP with the technical support of the IMF.

Sources:

file:///C:/Users/mzm3915/Downloads/2022-Citizens-Budget.pdf

<https://www.imf.org/en/Publications/CR/Issues/2023/06/21/The-Gambia-Sixth-Review-Under-the-Extended-Credit-Facility-Arrangement-Request-for-a-Waiver-535031>

13.c. Timely and accurate fiscal reporting

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

The Gambia adheres to a fixed budget calendar, timely passage of the budget, and national development programming. These elements support an orderly budget process when the processes of macroeconomic and fiscal forecasting, fiscal strategy formulation, and medium-term expenditure programming become effective. Together, these activities afford the government with the information and time needed to prioritize budget allocations among competing demands. The 2023 fiscal transparency report for The Gambia by the United States Department of State (<https://www.state.gov/reports/2023-fiscal-transparency-report/the-gambia>) indicates that during the review period, the government's budget and information on debt obligations were widely and easily accessible to the public, including online. The budget was substantially complete and generally reliable. The supreme audit institution reviewed the government's accounts and made its reports publicly available. The government specified in law the criteria and

procedures for awarding natural resource extraction contracts and licenses but did not appear to follow those regulations in practice. Basic information on natural resource extraction awards was not always publicly available. Nonetheless, the review found that The Gambia could improve timeliness of budget reporting and fiscal transparency by: (i) following natural resource extraction regulations in practice; and (ii) making basic information on natural resource extraction contracts publicly available. In The Gambia, the annual budget law approved by the legislature is publicized within two weeks of passage of the law. In-year budget execution reports are routinely made available to the public within one month of their issuance. Annual budget execution report is made available to the public within six months of the fiscal year's end. Audited annual financial report, incorporating or accompanied by the external auditor's report are made available to the public within twelve months of the fiscal year's end. Additional elements of the budget process include: the prebudget statement which provides broad parameters for the executive budget proposal regarding expenditure, planned revenue, and debt and is made available to the public at least four months before the start of the fiscal year. Other external audit reports which are all nonconfidential reports on central government consolidated operations are made available to the public within six months of submission. The summary of the budget proposal also called the "citizen's budget", and where appropriate translated into the most commonly spoken local language, is publicly available within two weeks of the executive budget proposal's submission to the legislature and within one month of the budget's approval. Meanwhile, fiscal reporting in The Gambia does not include all the information required under the cash basis of the international public sector accounting standard (IPSAS) that the country adopts. According to the accountant general there are two omitted pieces of information that accompany the annual financial statements, notably: (i) Financial performance information on public enterprises, and (ii) the external assistance received (including the third-party payments made on behalf of government)" and administered by self-accounting projects (SAP), which fail, "to submit certified quarterly summary accounts to the Accountant General's Department to be included in the Government accounts", as required by the IFMIS Accounting Procedure Manual.

13.d. Clear and balanced assignment of expenditures and revenues to each level of government

Score Type	Value
Draft Score	3.5
Reviewed Score	3.5
Second Draft Score	3.5
Final Score	3.5

Country Notes:

The Gambian authorities have shown strong commitment to anchoring their fiscal frameworks during 2021 to 2023 on the adopted budget and developing plans to address emerging pressures. In this regard, they remained determined to ensure fiscal discipline within the parameters of the approved budget, including by containing allowances within the approved wage envelope and reprioritizing spending. Further, they have sustained efforts to strengthen the public financial management system and enhance cash management by strict adherence to the recommendations of the Cash Management Committee. Nonetheless, they remain attentive to potential spending pressures stemming from compensation of employees in the education and health sectors coupled with rising capital development expenditures and transfers.

Consistent with these efforts for fiscal consolidation, functional expenditure variance although higher than 15%, however, it has declined from 75.5% in FY2019, 65.5% in FY2020, and 43.4% in FY2021. Similarly, fiscal reports from the Ministry of Finance of The Gambia show that expenditure composition variance by economic classification despite exceeding 15%, has consistently improved from 67.8% in FY2019, 17.6% in FY2020, and 17.8% in FY2021. Expenditures by economic classification have shown a strong predominance of current expenditures (79%) and comprising transfers, social benefits, operational expenditures and interests. On the revenue side, despite tax revenue shortfalls realized in the first quarter of 2023, collection from Customs and Excise exceeded expectations due to the implementation of the ASYCUDA WORLD and the establishment of a dry port. Concurrently, the authorities are enhancing revenue performance by strengthening enforcement through data matching, tax audits, and public awareness campaigns. They are also enhancing coordination between the revenue authority and the newly created Tax Revenue Department within the Ministry of Finance. Further, the authorities are accelerating digitalization through ITAS; streamlining corporate income tax, duty waiver exemptions, tax incentives granted under GIEPA Act; reduce profit shifting and enhance tax arrears management. Concurrently, the authorities are making efforts to strengthen customs border and inland controls; enhancing the internal assurance and integrity mechanism; and cleansing the taxpayer registration ledger for small and medium taxpayers. Furthermore, they have signed public private partnership contracts, completed the mid-term review of the Corporate Strategic Plan in January 2023 and are extending the enhanced GAMTAXNET to all tax offices across the country. Overall, The composition variance was 69.3% in FY2019, 49.9% in FY2020, and 94.1% in FY 2021. Revenue outturn deviated significantly from the budget in the period covered by the assessment, and according to The Gambia's Ministry of Economy and Economic Affairs (MoFEA), this was driven by several factors, including: (i) Non-materialization of pledged budget support grants, (ii) The COVID-19 pandemic that affected revenue projections, and (iii) Poor approach to the forecasting of non-tax revenue by accountants in ministries. In terms of revenue composition, the approved budgets present that domestic revenue averaged 58.5% and grants averaging 41.5%. Essentially, grant revenue outturn underperformed significantly, with actual receipts averaging 2.650 billion dalasi out of the budgeted average of 12.081 billion dalasi in the period. Domestic revenue also underperformed but by much less, averaging 15.283 billion dalasi out of the budgeted average of 16.996 billion dalasi.

14. Efficiency of Revenue Mobilization

Criteria Score: 3.5

14.a. Tax policy

Score Type	Value
Draft Score	3.5
Reviewed Score	3.5
Second Draft Score	3.5
Final Score	3.5

Country Notes:

The Gambia's tax system is complex and comprises a host of taxes and charges. Customs duties (23.5%), excises (4.8%), VAT on imports (13.4%), and VAT on domestic goods (8.7%), taxes on incomes and wealth (17.6%) and non-tax revenue and grants (28.8%) are the Government's principal sources of revenue (WTO, Trade Policy Review, January 2018). Most taxes fall mainly on imported goods since the domestic industrial base is very small. Imported goods destined for re-export are also subject to customs duties and import taxes. A VAT regime was introduced in January 2013 (replacing the sales tax), which is applicable to all taxable goods and services at a standard rate of 15%. Incomes of individuals are taxed on a progressive tax rates basis. From 0% for individuals with cumulative income of GMD 7500 Gambian dalasi; 10% for incomes between GMD 10,000 to GMD 17,500; 15% for incomes between 17,500 to 27,500 GMD, and 20% for incomes between 27,500 to 37,500 GMD; and 25% for incomes between 37,500 to 47,500 GMD, and 35% for incomes above GMD 47,500 per month. Other taxes include: withholding tax, capital gains tax, tax on residential rent, tax on fringe benefits, and national education levy. The Gambia has introduced various tax changes for 2021, which includes the following: (i) An increase in the capital gains tax threshold from GMD 18,000 to GMD 24,000; (ii) A reduction in the fringe benefits tax rate from 35% to 27%; (iii) The repeal of the environmental tax payable by employees and the air transport levy; (iv) An increase in the threshold for voluntary VAT registration from GMD 500,000 to GMD 1 million (mandatory registration threshold GMD 2 million from 1 January 2020); and (v) The introduction of the requirement for taxpayers with large taxpayer status to submit audited financial statements with their annual tax returns. In 2022, The Gambia adhered to the implementation of a new Tax Expenditure Policy in accordance with the recommendations made by the IMF mission of January 2023. These include the need to reduce the use of exemptions; strengthen core tax and customs administration functions, including to improve compliance across the four taxpayer obligations (registration, filing, payment, and accurate reporting) with a focus on key economic sectors. In September 2020, The Gambia's Ministry of Finance and Economic Affairs (MOFEA) has announced the establishment of a tax advisory committee to speed up the progress of the tax reforms, while fully representing the concerns and needs of taxpayers. According to the announcement, the committee will perform advisory service support to the MOFEA in order to tackle the following:

- (i) Making the tax system private sector friendly to spur economic growth;
- (ii) Strengthen the national tax framework in order to make it more just and inclusive;
- (iii) Examine and advise MOFEA on building an informal tax administration strategy;
- (iv) Advise on tax dispute management and resolution;
- (v) Provide advice on designing a more comprehensive framework on addressing the challenges of double taxation;
- (vi) Advise on a framework to broaden the tax base to ensure a fair and inclusive tax system;
- (vii) Support a taxpayer education strategy to minimize the compliance cost to promote compliance;

- (viii) Bring together the elements necessary for building a global agenda for a global consensus against the race to the bottom and harmful tax competition;
- (ix) Provide expert advice on how to leverage on the ICT to enhance tax administration; and;
- (x) Examine the tax system and provide a medium-term tax policy and reform strategy.

The release also includes the current agenda of the tax advisory committee as follows: Immediate and short term:

- Review and comment on the Concept Note and the role of the Advisory Committee.
- Address sensitive issues to bring about more tax equity and fairness in the tax regime. Members may pick up ideas on mitigating factors and how to deal with them.
- Put in suggestions as to how the committee could improve sustainable Taxpayer Information, assistance, and education programs with forceful tax enforcement teams.

Medium term solutions:

- Building an Informal Tax Sector strategy. This will include high-risk non-compliant taxpayers, Rental income tax, emerging tax ghosts, and moonlighters.
- Means of Upgrading and Strengthening the existing ICT and Banking systems in the collection of taxes. Further introduction of Electronic Filing is necessary.
- Consider different approaches on how to tackle tax disputes including the full operations of the establishment of the Tax Tribunal.

Long-term solutions:

- Address matters relating to International Trade and taxation of Multinational Corporations. Solutions to arrest transfer pricing and thin capitalization of holding companies from high tax regimes to low tax haven countries.
- Discuss challenges faced in Double Taxation Agreements. Negotiators should include among others, competent personnel from MFEA and GRA.
- Consider reviewing and amending some provisions of the Tax Laws to be aligned with National and Internationally Accepted best Practices.

Overall, the tax system in The Gambia is flexible. For instance, the fiscal challenges of coping with the COVID-19 pandemic forced the reordering of priorities to focus on it, “practically” suspending implementation of the agenda of the National Development Plan (NDP) 2018 – 2021 and extending its life span to FY2022. This was a major expenditure policy change that entailed a reordering of priorities, affecting FY2020 and FY2021 budgets. The pandemic and measures imposed to curb its spread diminished revenues and income, increased expenditures on already pressured social sectors like health and education and reduced or halted economic activities in many productive sectors.

14.b. Tax administration

Score Type	Value
Draft Score	3.5
Reviewed Score	3.5
Second Draft Score	3.5
Final Score	3.5

Country Notes:

The Gambia Revenue Authority is responsible for tax administration in The Gambia. The Gambia has a graduated tax appeal mechanism allowing taxpayers to appeal against the decisions of revenue officers. Taxpayers can appeal to the Commissioner General, the tax tribunal or the Gambia Court of Appeal to seek redress. This has given taxpayers every opportunity to view the tax system as fair. In addition, guidelines and steps to be followed to appeal the decision of GRA or the tax tribunal to the court of appeal are all clearly provided on GRAs website (<https://www.gra.gm/sites/10#objection>). The Gambia has a self-assessment tax regime which means taxpayers submit their own tax returns for the liabilities and payments. This calls for a strong audit capacity to deal with under-declarations and other forms of tax fraud. Tax revenue collection during January-March 2023 underperformed projections by about 5% due to a shortfall in collection from domestic taxes (particularly Personal Income Tax, Corporate Income Tax, VAT and domestic excises) as the recovery in the tourism and hospitality sector in Q4 2022 fell short of expectations. On the expenditure side, pressures are arising on several fronts, including on compensation of employees in the social and security sectors, the acceleration of infrastructure construction ahead of the rainy season, fertilizer subsidies for farmers, and higher debt service amid deteriorating domestic financing terms and dalasi depreciations. Besides, the authorities have taken steps to clear their arrears with the utility company with a view to improving the latter’s financial situation. They are also clearing the end-2022 payment floats. Despite these pressures, the authorities are committed to anchor the 2023 fiscal framework on the adopted 2023 budget. The authorities are taking measures to boost revenue collection. They have adjusted domestic pump prices to maximize revenue collection. At end-April 2023, revenue from petroleum products were already at about 40% of the annual target. To alleviate the impact of the fuel price increases on the vulnerable population, the authorities strengthened targeted social safety net programs. On the spending side, the authorities are committed to addressing any pressures and remaining within the approved budget, by containing allowances to keep personnel expenses within the approved wage envelope, reprioritizing spending, and strengthening cash management. The pressures from the clearance of the end-2022 payment floats have been alleviated by utilizing the domestic borrowing space unused in 2022 (about GMD 800 million or about 0.6% of 2023 GDP), while keeping

broadly unchanged the previous debt reduction path. The authorities have also relaunched the Megabank privatization process following the failure of the previous purchase agreement. Potential proceeds from this operation would help ease financing pressures for the 2023 budget. Swift implementation of revenue administration reforms have supported efforts to address immediate and medium-term spending needs. The Gambia Revenue Authority (GRA) has made significant progress in some key areas, including on: (i) tax registry cleansing, (ii) the preparation of large taxpayers' ledgers, (iii) the launch of Asycuda World, (iv) the rollout of the enhanced GAMDAXNET to all tax offices, (v) and making the Internal Affairs Unit fully functional. Customs revenue collection is also supported by the recently created dry port that has decongested the port of Banjul and reduced the wait time to unload ships from two weeks to five days. These efforts have been complemented by the following measures: (i) stricter collection of withholding taxes and rental incomes; (ii) acceleration of Integrated Tax Management System (ITAS) implementation to improve digitalization of processes; (iii) enforcement of the revised Gambia Import and Export Processing Agency (GIEPA) regulations regarding compliance with tax returns filing requirements; (iv) adjustment to the IVAT Act 2012 to ringfence against profit shifting; and (v) enhancement of data matching and audits. C:/Users/mzm3915/Downloads/1GMBEA2021002%20(4).pdf). (Final stage) and continues to work on the implementation of the Integrated Tax Administration System (ITAS) and the ASYCUDA World system. Overall, The Gambia improved 1.5 points over 2012-2021 in the 2022 Mo Ibrahim Index of Good Governance, regarding Tax and Revenue Mobilization 35th out of 54 countries with a score of 40.8 / 100.

15. Quality of Public Administration

Criteria Score: 2.667

15.a. Policy coordination and responsiveness

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

There are mechanisms in place to coordinate policymaking between various ministries, agencies, and other stakeholders relevant to specific domains (e.g., the British-funded Medical Research Council in the area of public health). Such interagency task forces and commissions vary enormously in terms of their effectiveness, however. A 2018 review by the World Food Program, for example, found that, despite a clearly articulated zero hunger strategy, policy coherence was minimal. Policy coordination is further hampered by frequent movement of key public officials, including at the cabinet level, between different organizations and sometimes to ministries with wildly different concerns. Despite these challenges, The Gambia improved its ranking in the BTI governance index ranking 34/137 countries surveyed in 2023 with a good governance index of 5.73. Nonetheless, building state capacity is essential for sustainable

development. The Gambia Government recognizes that there are important capacity gaps in the public sector which if addressed, will increase the productivity levels of the MDAs and then accelerate the country's transformation towards a more human-centered development. To build the enabling environment, it will be imperative to look at public sector governance alongside the issue of capacity (human and institutional capacity). Currently, there are duplications, overlaps of roles and functions thus affecting operations and staffing across and within MDAs. This has resulted in government operations being too expensive. The Ministry of Public Service intends to institutionalize and integrate human resource planning and development to address the bottlenecks and the binding constraints and thus support the country's development governance. Also, the current civil service structure has major gaps in skills and competencies. The service is bloated in size with a rapidly expanding wage bill that is not sustainable. There are performance gaps in some important competencies with weak performance management mechanisms. Similarly, the recruitment and promotion system need to be rationalized. There are policy choices upon which government is expected to deliver. The enduring problems with national development call for innovative solutions that have thus far not been tried. The authorizing environment needs to change. The Gambia Government sees the need to establish an effective, efficient and meritocratic public institutions that can deliver quality public goods. The other urgency is addressing the information systems in the public sector that are currently operating in silos and have not been integrated in ways that would significantly boost the performance of the civil service. Such a proliferation of stand-alone information systems across the public service continues to deliver sub-optimal outcomes characterized by inefficiencies, red tape and lack of responsiveness in public service delivery. There is a heavy dependence on manual procedures and systems. As it stands, there is no standard government email and internal communication systems. Similarly, there is no functional and standard websites for government officials.

15.b. Service delivery and operational efficiency

Score Type	Value
Draft Score	2.5
Reviewed Score	2.5
Second Draft Score	2.5
Final Score	2.5

Country Notes:

The Barrow government has taken steps to address constraints to public service delivery, with mixed results. Efforts to increase and Gambianize the judiciary have largely been successful, and civil service reform is ongoing. The fate of the security sector reform program is still uncertain. There have been modest changes, such as renaming the National Intelligence Agency and forming a human rights unit in the Gambia police force. Economic governance has largely improved under Barrow and, prior to the COVID-19 pandemic, the Gambian economy was predicted to grow at a brisk pace of 6% in 2020, fueled by an increase in foreign direct investment, as well as domestic demand. Poverty has nonetheless increased, except in urban areas. The Gambia is also heavily reliant on agriculture and fishing, which creates vulnerability to climate shocks and commodity price fluctuations. These have a disproportionate

impact on the country's most vulnerable. Uneven government capacity has undermined policy implementation, regardless of sector. Some government agencies are comparatively understaffed and under resourced, while the Office of the President and the security services consume a disproportionate amount of public funds. Specific stakeholders identified by the Barrow government as keys to the Gambia's development, namely the diaspora and youth, have complained about the lack of clarity and coordination on the part of the government and its partners, resulting in an uncertain landscape. The COVID-19 pandemic has exacerbated budgetary obstacles to the implementation of strategic policies, as well as created an opportunity cost as government ministries and agencies have had to focus on the pandemic and associated countermeasures.

15.c. Merit and ethics

Score Type	Value
Draft Score	2.5
Reviewed Score	2.5
Second Draft Score	2.5
Final Score	2.5

Country Notes:

The Strengthening Governance Worldwide (https://www.public-admin.co.uk/case_studies/test/) notes that "for many years, there had been a general consensus in the Government of The Gambia that its Civil Service had a number of key capacity weaknesses. Pay was too low to hire, motivate and retain key technical and professional staff. At the same time, Staff had not been managed to achieve results, being neither rewarded for good performance nor sanctioned for poor performance or breaking the rules. Frequent removals and transfers of Government officials had undermined job security and institutional knowledge. Many staff were either unqualified for their duties or had not been given relevant or practical training. The Until mid-1970s, the basic competences in The Gambia's Public Administration were broadly maintained until at least the mid-1970s, but thereafter the trajectory was broadly downward due to over-expansion, patronage hirings, corruption, informality and an exodus of professional and technical skills.

The politicization of the Public Service rather than rational bureaucracy, created problems vastly affecting Government functions (Public Sector Reform Sector Strategy Paper, 2007-2011). There are policy choices upon which government is expected to deliver. The enduring problems with national development call for innovative solutions that have thus far not been tried. The authorizing environment needs to change. The Gambia Government sees the need to establish an effective, efficient and meritocratic public institutions that can deliver quality public goods. The importance of a regulatory state which can effectively manage other actors cannot be overemphasized. Performance standards in the civil service have dropped since the advent of the Second Republic. There is indiscipline and lack of commitment in the civil service with high levels of red tape/bureaucracy. Undoubtedly, well-thought out and well implemented civil service reforms can be a critical enabler for fundamentally transforming the performance and outcomes of the civil service delivery system. The low performance in the civil service is the result of the absence of a robust performance management system that holds officers in the public service accountable. To transform the sector, the Gambia Government will mimic the private sector in terms of performance management as a

way of increasing productivity/output. The MOPS will enhance work ethics, punctuality, performance metrics, transparency and accountability in the management of public services over the NDP II period. This strategic objective is aligned to the aspiration of Agenda 2030 to build effective, accountable and inclusive institutions at all levels by 2030. In order to achieve the above objectives, NDP II will prioritize the following key strategies and programmatic interventions to achieve the targets and outcomes: map and harmonize policies, legislations and regulation frameworks to improve service delivery; introduce an integrated HRMIS across the public service; Introduce performance management system in the public service; expand the usage of ERMS across the Public Service; develop or build on the existing policy and regulatory initiatives and frameworks for e-governance; enforce/ensure effective and efficient implementation of laws, policies and regulations required to stimulate and accelerate digital transformation and modernization for national development; increase advocacy on government policies and programmes and introduce citizen engagements and feedback mechanisms; conduct a revised Capacity Needs Assessment to identify key technical and leadership capacity gaps; conduct continuous training programmes to address identified capacity gaps; Implement the Revised Capacity Needs Assessment Report; conduct a comprehensive capacity development of a core team to effectively participate in the entire review process; conduct a horizontal review of government operations across government institutions to determine whether there are any government institutions operating with similar mandate; develop and implement PMS around current planning, budgeting and staff appraisal systems; design and Implement a strategy to transform public servants' behavior with regard to time management; and develop and implement performance management policy to outline reward and sanction mechanisms for personnel and MDAs' performance.

15.d. Pay adequacy and management of the wage bill

No score data available for this subcriteria.

16. Transparency, Accountability, and Corruption in the Public Sector

Criteria Score: 2.667

16.a. Accountability of the executive to oversight institutions

Score Type	Value
Draft Score	2.5
Reviewed Score	2.5
Second Draft Score	2.5
Final Score	2.5

Country Notes:

The management of public finances in The Gambia is regulated by the Constitution, as well as specific legislation, such as the 2004 Government Budget Management and Accountability Act (GBMA) and the 2014 Public Finance Act. In practice, the supervision of monetary transactions by the National Assembly has been weak. While the Minister of Finance and Economic Affairs (MoFEA) is accountable to the latter, along with the President, for budgetary decisions within his ministry, the distinction between the roles of the permanent secretary within the ministry and the minister himself are ambiguous. An independent task force is necessary in order to lodge and hear appeals. All public accounts are audited by the national Audit Office, which is headed by the Auditor General. The audited accounts are reviewed by the National Assembly. The National Audit Office (NAO) is the Supreme Audit Institution (SAI) of The Gambia, headed by an Auditor General responsible for auditing and reporting how government institutions utilize public resources. The National Audit Office (NAO) has an important role in the implementation of the National Development Plan by being a key partner in the M&E processes in the NDP. NAO has a lead role in monitoring and auditing of Government's public expenditure management, performance appraisals and sharing findings with the National Assembly, as well as the institutions tasked with coordinating the implementation of the NDP. The Gambia's Supreme Audit Institution also audits the public sector and SOEs. Meanwhile, The National Audit Office (NAO) is faced with constraints in conducting the external audit of public institutions across the public sector. These challenges are limited financial resources and human capacity, and the political will of the executive and the legislature to implement the audit recommendations from the auditor general. Also, the limited strength of the National assembly in terms of capacity in specialist areas like accounting and finance limits the enforcement of the audit recommendations from the auditor general. Auditing of state spending and transparency in state spending are inconsistent at best. According to the Open Budget Survey, Gambia scores only four (on a 100- point scale) for budgetary transparency, much less than other countries in the region and well below the threshold for sufficient transparency, which is 60. Among the factors cited as reasons for the low score is the lack of public availability of budget documents, including interim reporting. Despite these challenges, The Gambia improved +17.2 points in the Accountability and Transparency dimension of the Mo Ibrahim Index over 2012-2021 currently ranking 16th out of 54 countries compared to the 24th place in 2020. According to the Recovery Focused-National Development Plan (2023-2027), to ensure that the National Audit Office(NAO) and the National Assembly perform external audit and oversight functions, respectively, the following strategies should be implemented: (i) Enhance the operational & financial independence of NAO to effectively carry out their mandate, (ii) To ensure the continuity of the independence of NAO, the NAO's Act should be Constitutionalized, (iii) The appointment and removal of the heads of NAO should be done by National Assembly, (iv) Strengthen the capacity of the NAO to audit SOEs instead of the third party, (v) Enhance the capacity of the members of FPAC/PEC at the National Assembly on their mandate, (vi) Develop a monitoring mechanism for the implementation of the auditor general's audit recommendations, (vii) Strengthen the parliamentary budget office.

16.b. Access of civil society to information on public affairs

Score Type	Value
Draft Score	2.5
Reviewed Score	2.5
Second Draft Score	2.5
Final Score	2.5

Country Notes:

In 2019, a new Access to Information Bill was approved by the National Assembly and assented to by the President in August 2021, in fulfillment of United Nations Convention Against Corruption (UNCAC) articles 10 & 13.1. The number of private print, electronic, radio stations and other media operations has increased considerably since 1994. These include a number of community radio stations and wide use of social media as communication tools for the general public. Yet while civil society's active engagement in governance issues due to corruption has increased since the 2016 political impasse, with greater reporting on corruption cases and engagement in public debates hosted by independent media outlets, there are few measures promoting periodic review and reporting on corruption in the public administration in The Gambia. The public has access to courts during sittings and judgements, which are made available to the parties involved in the case at the conclusion of the case. Although the judiciary does not publish judgements on their website, the judgments are compiled and reported in the Law Reports published by the Law Report Committee. There is no access-to-information act in the Gambia. Nor is there other pertinent legislation, such as whistleblower protection. The lack of progress on addressing corruption is arguably one of the biggest shortcomings of the Barrow era. In the 2023 The Gambia is ranked 5th in Africa and 46th in the world among 180 member countries of Reporters without borders. The Gambia did better than many other African countries including Senegal, which is ranked 27 in Africa and 73 in the world. Under Barrow, the climate has improved significantly. There has been a profusion of media houses and political parties, but obstacles remain. Relations between journalists and security services are often thorny and reports of harassment not infrequent.

The Gambia's CSOs, silenced under the former regime, have begun to emerge and take a more active role in supporting the democratic transition. The Gambian CSOs are experiencing a new awakening as the emerging democratic space allows for robust advocacy and policy engagement. The 9th edition of the Civil Society Sustainable Index for Sub-Saharan Africa published in December 2018, indicated that "overall number of CSOs registered in The Gambia in 2017 is unknown but is estimated to have totaled well over 1,000 organizations". The most prominent of these organizations is the Association of Non-Governmental Organizations in The Gambia (TANGO), which is a representative CSOs umbrella organization in The Gambia with about 80 CSO members. Some reforms to improve CSOs participation in political reforms would include: (i) strengthening capacity of duty bearers; (ii) reform rules and procedures; (iii) organize NGO Annual forum through Gambia Local Fund (GLF) or support from development partners; (iv) sensitization of communities on human rights-based approach; (v) organize a supervision trek through GLF fund to accomplish the exercise; develop a concept note to gather resources to be able to develop an NGO policy.

S[1] ource2017 Civil Society Organization sustainability index for Sub-Saharan Africa developed by USAID, FHI 360 and the International Not-for-Profit Law

16.c. State captured by narrow vested interests

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0

Final Score	3.0
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Country Notes:

The Gambia has established, by law, various anti-corruption bodies and agencies, ranging from the Gambia Financial Intelligence Unit (GFIU) to the Gambia Public Service Commission (GPSC), the Gambia Public Procurement Authority (GPPA) and the Assets Recovery and Management Corporation (AMRC). These independent bodies are equipped to improve reporting mechanisms in the fight against corruption. Nevertheless, the Gambia Anti-Corruption Commission Act passed into law in 2012 established the composition and functioning of a national anticorruption body yet has not been implemented. More generally, the poor implementation and application of recommendations and findings by commissions of enquiry points to state capture by corrupt interests. Allegations of corruption are frequently lodged against officials at all levels of government, and both state and semiofficial agencies have been accused of improperly funneling money to private citizens. An anticorruption bill introduced in the National Assembly in 2019 has yet to be adopted, and a proposed anticorruption commission has not yet been established. Other anticorruption bodies, such as the Financial Intelligence Unit of The Gambia (FIU), have weak enforcement powers. Government operations are generally opaque. Officials must make asset declarations to the ombudsman, but the declarations are not open to public and media scrutiny. There are widespread allegations of corruption in public procurement. Key licensing processes, especially for industries that rely on natural resources, are not transparent. The National Assembly passed and President Barrow signed the Access to Information Act in 2021. Civil society groups had championed the legislation as a means to improve transparency and accountability, but its effects in practice remained unclear. In September 2022, the Gambia Ports Authority (GPA) declined a request from the Public Petitions Committee of the National Assembly to release an internal report about alleged corruption among staff, despite significant pressure from civil society. The Gambia performance in the Corruption Perception Index by Transparency International moved from 37 out of 100 in 2021 to 34 out of 100 in 2022, which is a slight deterioration. Meanwhile, there are important delays in the administration of justice in the country; delay in implementing the outcomes of transitional justice mechanisms; delay in the enactment of Human rights bills and delay in establishing the anti-corruption commission. An important development is the recent approval of the Access to Information Bill by the National Assembly of the Gambia, which was widely seen as a major milestone towards true democracy in the post-Jammeh era (Media Foundation for West Africa 2021; Gambia press Union 2021). Another piece of legislation worth mentioning is the Anti-Money Laundering and Combating of Terrorist Financing Act of 2012. The act specified a number of predicate money laundering and terrorist financing offences; and created new requirements for financial institutions, such as the requirement to file suspicious transaction reports (Kargbo 2014).

(E) Infrastructure and Regional Integration

Cluster Score: 3.25

17. Infrastructure Development

Criteria Score: 3

17.a. Sector strategy/policy

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

The Gambia relies almost entirely on biomass (wood fuels), and imported petroleum products, to meet its energy requirements. Currently, the total national installed capacity is 147MW of which 108 MW is available. To cover the generation deficit, NAWEC has signed electricity imports contracts of up to 50MW with SENELEC and OMVG. RE in the electricity generation mix is very negligible. To ameliorate the high dependency on fossil fuels, there are grid connected renewable energy projects underway such as the 20MW Jambur Solar PV plant with storage; the 10.5MW NAMA NSP project, as well as the 150MW WAPP Regional Solar Park. Government enacted the Renewable Energy (RE) Act 2013, which provides for renewable energy IPPs (Independent Power Producers), to produce and sell electricity to the market. Section 11 of the RE Act 2013 empowers the regulator, PURA, to formulate Feed-In-Tariffs (FITs), and Feed-In-Tariff Rules. The legal foundation for a fully de-regulated competitive electricity market does exist. The current national energy policy 2015-2020 is out of scope, and requires, urgent update to accommodate pressing new policies, and regulations required, to govern a de-regulated electricity sector.

The Gambia's ICT sector has three (3) licensed private MNOs: Africell, QCell, and Comium; an additional operator has been issued an operating license, and will soon enter the mobile market, as fourth operator.

A number of licensed Internet Service Providers (ISPs), are operating in the sector, providing internet services at competitive rates. The sector is currently regulated under a multi-sector regulatory regime, by PURA – the public utilities regulatory authority. Main achievement in the ICT sector since the last NDP 2018-2023 include: (i) construction of 420Km Fiber of National Broadband Network, to enhance access to last mile end-users; (ii) Liberalization of Data and Voice Gateways; (iii) Adoption of ICT4D Master Plan.

The road infrastructure includes road facilities and equipment, which comprises the road network, bridges, drainage system, weigh bridges (axle load stations), parking spaces, garages, footpaths/walkways, pavements, and right of ways (RoWs). The National Roads Authority (NRA) is the principal government agency mandated to manage and oversee the development, upgrading, and maintenance, of the Road sub-sector. The country's total road network is estimated at 4,500 km. Main achievements in the road sector over the NDP 2018-2023 include: (i) Out of 514 km of planned reconstruction of feeder roads in rural areas, 363Km (70%) was achieved, (ii) SeneGambia bridge, (iii) Laminkoto-Passimus road (120Km), (iv) Sukuta-Jambanjelly road (13Km), and (v) Banjul urban roads reconstruction. The Gambia's transport sector is governed by the National Policy 2018-2027. Ports and river transportation are two (2) of the most important transport systems of the Gambia. In a bid to revitalize river transportation, and deepened, the Gambia's regional trade with hinterland countries - the Gambia Ports Authority (GPA), signed an MOU in July 2019, with InfraCo Africa and CPCS, for the development and implementation of a Freight Logistics Platform/ Dry Port, in Basse. The Project components include the following: upgrading/construction of Basse river Wharf/Jetty, procurement of 2000-tonne Barge at a cost of approximately USD10 million. Other sub-sector priorities include the 4th Banjul port expansion program (container quay extension from 200-345m and ancillary structures.

The air transport industry is one of the most important drivers of economic growth in The Gambia. However, this sub-sector suffers from several challenges notably: (i) conflict of interest in The Gambia Civil Aviation Authority (GCCA), (ii) absence of national airline, (iii) heavy reliance on charter tourist traffic, (iv) absence of economies of scale in airport activities, and (v) high cost of air travel. Two main achievements were registered by the Air transport sector during the last NDP: 2018-2021 include: (i) new VVIP building under construction, and (ii) main passenger terminal, remodeled and novated. Among the Government's policy priority in the sub-sector is the de-coupling of GCAA "regulatory" mandate from its commercial "operations whilst opening the door for private sector participation.

Access to basic sources of drinking water display regional discrepancies in The Gambia. it has increased from 87% in 2015 to 88% in 2020, while in rural areas it increased from 68% to 69% in the same period (JMP Wash 2021 Data). Similarly, access to basic sanitation remains uneven in the country. Access to basic sanitation increased from 55% in 2015 to 60% in 2020, whereas in the rural areas it has declined from 34% in 2015 to 26% in 2020 (JMP Wash 2021 Data). The Gambia's medium-term plan for Water, Sanitation, and Hygiene (WASH) prioritizes a sector-wide approach to achieve 100% of the population with access to safe drinking water and 75% with access to sanitation by 2025. NAWEC is implementing a USD 22.5 million water project funded through the Indian line of credit, which will extend water supply to communities within the Greater Banjul Area and also replace all the asbestos pipes across the country. The Project will increase water production capacity, enhance the distribution system, and alleviate the

shortage of water. Overall, The Gambia improved its score in the Africa Infrastructure Development Index (AIDI) from 30.16 in 2021 to 30.31 in 2022 (<https://infrastructureafrica.opendataforafrica.org/pbuerhd/africa-infrastructure-development-index-aidi-2022>).

17.b. Legal and regulatory frameworks for infrastructure

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

The World Bank and the African Development Bank (AfDB), in their infrastructure diagnostic assessment report (Financing African Infrastructure, AfDB, 2015) of African countries, notably West Africa, stressed the importance of infrastructure, given its contribution to GDP, estimated at 2% annually. This potential impact on economic growth, and by extension – on sustainable development and inclusivity - is further compounded by the huge deficits confronting African countries - in critical infrastructure such as energy (i.e., power), and transport (i.e., connectivity), which accounts for 44% and 18%, respectively, of the total infrastructure deficit, in terms of annual capital investment (CAPEX) and operation and maintenance (O&M) expenditures. In the transport sector, the institutional framework for implementing the directives of national transport policy include the Ministry of Transport and Works. It has responsibility for overall policy direction and oversight (including regulation of the road sub-sector) and the other parastatals and agencies in charge of operation and regulation of the various modes. The National Roads Agency (NRA) with a Road Fund under the same Board is responsible for the planning, construction and maintenance of the national road system; the Gambia Civil Aviation Authority (GCAA) has operational and regulatory responsibilities for the civil aviation sub-sector; while the Gambia Ports Authority (GPA) is responsible for the planning, construction, operation and maintenance of maritime/inland waterways infrastructure and the nascent Maritime Transport Administration created in 2010 is the sub-sector regulator. Deepening of institutional reform and improved governance for the Civil Aviation subsector is recommended. This for separation of operational and regulatory functions of the GCAA as traffic increases to a level of commercial profitability for the Banjul International Airport (BIA). Also for the Roads sub-sector, creation of a separate Road Fund Board apart from the Board for the NRA to improve governance and for checks and balances to enable the Road Fund carry out the required technical and financial audit of the sub-sector projects for value for money is recommended for further sector reform. According to the US Trade Country Commercial Guide for The Gambia (<https://www.trade.gov/country-commercial-guides/gambia-market-overview>), The Gambia Public Utilities Regulatory Authority (PURA) is a multi-sector regulatory authority established in 2005 through the PURA Act of 2001, to regulate public utilities in the telecommunications, energy and water sectors. The major focus of the regulatory regime is to facilitate competition and attract investments into the sectors for the socioeconomic development of the country. The Public Procurement Act of 2014 regulates public procurements and established the Gambia Public Procurement Authority.

This agency regularly publishes rules and procedures to which all government entities must adhere. These rules and procedures appear on their website but are not regularly updated. The agency requires all government suppliers to be registered. With the government transition, The Gambia continues to improve its procurement processes. The Gambia Public Procurement Authority is responsible for ensuring transparency, accountability, and an equal playing field for all throughout the procurement process. On an annual basis, public sector entities are mandated to prepare a procurement plan, which outlines all the procurement activities to be undertaken within that fiscal year. The procurement plan, together with the agency's estimated budget, is used to identify potential sector-specific opportunities. No PPP projects have reached financial closure in the past five years in the transportation, water or energy sectors, according to the World Bank's Private Participation in Infrastructure database. However, the expansion of PPPs for infrastructure development has been promoted by the government of The Gambia through incorporation into The National Development Plan 2018-2021 (NDP), and through the release of the 2016 High Level Viability Analysis of Priority Projects by the Ministry of Finance and Economic Affairs, which highlights ten potential projects eligible to be developed into PPPs. Of the highlighted projects, one currently underway is the GAMSWITCH, an electronic clearing system for electronic payments. The other nine projects primarily cover the transportation and energy sectors and include the Trans-Gambia Bridge tolling/operations and maintenance, concessions for road maintenance, ferry services, and a port terminal. The Public Procurement Authority Act of 2014 (the Act) and National Public Private Partnership Policy 2015-2020 enable the development of PPPs in The Gambia. The PPP bill has been developed, validated with stakeholders, and shared with the Ministry of Justice for review and submission to Cabinet. The government is developing a national policy on PPP with the technical support of the IMF. The government will finalize the PPP regulations after the PPP bill is approved.

Source: <https://www.trade.gov/country-commercial-guides/gambia-market-overview>

<https://www.state.gov/reports/2023-investment-climate-statements/the-gambia/>

17.c. Public resource management and accountability in the infrastructure sector

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

Infrastructure and connectivity play an important role to economic transformation in The Gambia. The government continues to consolidate efforts and implement strategic infrastructure projects in the areas of energy, transport and ICT in order to catalyze growth and tap into the many opportunities offered by the AfCFTA and other developments. The Gambia's NDP 2018-2021m and extended to December 2022, was costed and the total funding requirements was estimated at \$2.4 billion with the main cost drivers being energy and infrastructure (57%), agriculture (11.2%) and human capital (8.34%). Combined, the three

strategic priorities account for 76.5% of the total NDP budget. With respect to the highest cost driver, which is infrastructure and energy, most of the financing was acquired through PPP and other innovative financing models. Gambia's overall governance score has improved over the last decade (2012-2021) by 9.5 points, currently ranking 16th out of 54 countries in the 2022 Mo Ibrahim Index of African Governance. However, the pace of improvement has slowed down over the most recent five years (2017-2021) with the improvement being 2.5 points. Major areas of improvement during the 2012-2021 period include: accountability and transparency (+17.2 points with a score of 47.3); public administration (+9.6 points with a score of 59.9), infrastructure (+8.2 points and with a score of 35.5); and anti-corruption (+4.6 points and with a score of 49.4). Meanwhile, the Corruption Perception Index by the Transparency International shows a slight deterioration of the country's score from 37/100 in 2021 at 102nd among 180 countries and territories to 34/100 in 2022 at 110th place. The regulatory authorities enforce laws, through financial penalties or other legal action. All public accounts are audited by the national Audit Office, which is headed by the Auditor General. The audited accounts are reviewed by the National Assembly. According to the IMF's 2019 Public Investment Management Assessment for The Gambia (<https://www.elibrary.imf.org/view/journals/002/2019/277/article-A001-en.xml>), although the country performs slightly better than average, there is substantial scope to improve the level of efficiency of public investment. The estimated efficiency gap of 37% in The Gambia is broadly comparable to Sub-Saharan Africa and Low Income and Developing Countries (LIDCs), but worse than the best performing countries. There is thus still a need for policies to help improve the level of efficiency of public investment across the planning, budgeting, and implementation cycle.

On energy efficiency, there has not been much effort to intensify energy efficiency in The Gambia. However, with support from the World Bank, The Gambia, has recently developed and launched its National Strategy for Energy Efficiency, which document, outlined measures to be implemented in the short, medium to long term. Some of these measures include energy auditing for public buildings, and the development of the EE framework document. In addition, the Ministry will be conducting a nationwide awareness raising campaign on efficient cooking stoves and alternative cooking fuels such as LPG and briquettes. Through the UNIDO/GEF project, a number of institutions are being supported in various energy efficiency initiatives, such as retrofitting of public buildings, as well as private buildings, and the establishment of EE lab with the Gambia Standards Bureau (TGSB). The National Energy Policy (NEP) is out of scope; and need urgent update, to address the identified policy gaps, for the development of the energy sector, i.e., unbundling NAWEC, and to increase private sector participation in the energy sector. The electricity sector, which is regulated under the Electricity Act 2005, has been fully de-regulated for competition, including the entry of the private sector into the electricity production, transmission, and distribution markets. The Act clearly provides for the Minister to issue Generation, Transmission, and Distribution Licences to private power producers, distributors, and dispatchers.

According to the IMF Article IV (2023:15), use of the investment selection tool under The Gambia Strategic Review Board (GSRB) is used screen and select domestically financed investment projects, including PPP candidate projects, and enhance reporting on all PPP commitments. According to Gambian Environmental and Impact Assessment (EIA) Regulations, all development projects are subject to environmental screening. Prior to granting permission to proceed with a project, a proponent is obliged to complete a Pre-Evaluation Form that has been developed by the National Environmental Agency (NEA). Based on the screening exercise, NEA decides on whether an EIA is required or not for any project. In the event where an EIA is not required, the proponent is still obliged to describe methods and procedures for proper environmental management.

18. Regional Integration

Criteria Score: 3.5

18.a. Movement of persons and labor and right of establishment

Score Type	Value
Draft Score	4.0
Reviewed Score	4.0
Second Draft Score	4.0
Final Score	4.0

Country Notes:

According to the Africa Regional Trade Integration Index, The Gambia had a score of 0.52 on Free Movement of People (<https://arii.uneca.org/en-US>) and ranks 20th out of 54 countries in Africa. Nonetheless, The Gambia ranks 4th out of 15 countries in the ECOWAS region regarding free movement of persons and labor and right of establishment. The Gambia recorded the largest improvement in the Africa Visa Openness Index (AVOI) over 2016– 2022 in West African and currently ranks top with a score of 1.000 (file:///C:/Users/mzm3915/Downloads/africa_visa_openness_index_2022.pdf). The Gambia scored 47.4/100 in the 2023 Freedom in the World Report by Freedom House compared to 67.4/100 in 2021 and is currently classified as “repressed”. The overall regulatory framework is characterized by red tape and a lack of transparency, and regulations are applied inconsistently. The labor market remains stagnant, burdened with high unemployment and underemployment. Several government policies require the hiring of nationals, including the Labor Act of 2007, The Payroll Tax Act of 2008, and the Social Security Act. The Labor Act of 2007 and its regulations provide the legal framework for labor relations in The Gambia. The Ministry of Trade, Regional Integration and Employment enforces the Act. It covers most conditions of employment, including dismissals, recruitment and hiring, registration and training, protection of wages, registration of trade unions and employees’ organizations, and industrial relations in general. The Act also contains procedures for the settlement of disputes, including an industrial tribunal. In Gambia, collective bargaining is uncommon. The Gambia has no organized trade unions. As a result, there is no data for The Gambia in ILOSTAT for Collective Bargaining Agreements (CBA) and Trade Union Density, even though The Gambia has ratified Convention. The Department of Labour plans to hold a public awareness campaign about the importance of collective bargaining at the enterprise and sectoral levels. The Gambia provides residence and work permits to foreigners and its system is less burdensome. FDI inflows to Gambia declined between 2021 and 2022. According to the UNCTAD FDI 2023 Report, FDI inflow to Gambia declined from US\$249 million in 2021 to US\$236 million in 2022

18.b. Regional financial integration

Score Type	Value
Draft Score	3.0
Reviewed Score	3.0
Second Draft Score	3.0
Final Score	3.0

Country Notes:

The Gambia is member the West African Monetary Zone (WAMZ) and has made good progress in achieving the financial integration convergence criteria. The country ranks 12th out of 54 countries in the macroeconomic integration dimension of the Africa Regional Integration Index 2020. In 2022, the country met 2 out of the 4 primary criteria, notably keeping inflation rate (9.6% at end-period) below 10%; and ensuring that gross international reserves (4.4 months of imports) were above a minimum of 3 months of imports coverage. There are persist some challenges regarding the fiscal deficit (4.4% of GDP compared to a threshold of 4%) and Central Bank financing of the fiscal deficit (see <https://wami.opendataforafrica.org/apps/atlas/Gambia>). For 2022, the change in arrears stood at 0.5% of GDP while the real interest rate is set to decline to 5.9% due to inflationary pressures, but still sufficient to meet the WAMZ convergence criteria. The Gambia is less likely to meet the secondary criteria on tax revenue (9.5% of GDP vs a WAMZ threshold of 20% of GDP). This is due to the slow progress in domestic resource mobilization and reduced revenues due to COVID-19 impacts on the economy and corporate companies. The country's payroll as a share of total tax revenue (45.3%) also remains above the WAMZ target of less than 35%. This is due to 30% productivity-enhancement increase in civil servants basic salary by Parliament in July 2022 costed The Gambia 0.5% of GDP to the fiscus. The Gambia has 12 operational commercial banks, with a total asset of \$1.3 billion end of 2021. The banking system had been adequately capitalized, liquid and profitable with capital adequacy ratio of 32.6% in December 2020. Since 2022, the authorities are implementing the National Financial Inclusion Strategy (NFIS), with the aim of providing access to the formal financial system for 70% of the adult population by 2025, including the most vulnerable groups, women, and youth. They have taken steps to: (i) on September 29, 2023, The Gambia government launched the first-ever Capital Market Policy designed to strengthen the country's economic development; (ii) gauge access to digital financial services through mobile money operators; (iii) approve Islamic microfinance guidelines to bridge religious barriers to financial access; and (iv) train women organizations on financial services. With the implementation of the NFIS underway, the CBG should enhance the oversight of the non-bank financial sector, especially microfinance companies (MFCs). Regarding the regulatory framework, The Gambia has been working with its regional partners and this has led to the establishment of WAMZ College of Supervisors (CSWAMZ) under the ambit of WAMI. The CSWAMZ meets at least twice a year and in some instances, Member States will conduct a joint cross-border examination on some banks within the Zone. In the past two years, the Gambia has fully implemented the regional financial integration payment system on Real Gross settlement system (RTGS), Automated clearing Housing system, automated cheque processing system, core banking application for central banks (T24)-which the treasury department uses to monitor government in and outflows in its account at the CBG and Unique bank identification system under the supervision of WAMI. The Gambia scored 0.39 in the 2023 Africa Regional Integration Index thus placing it as an average performer in ECOWAS. Gambia scored low in trade and macroeconomic integration dimensions of the index. According to the World Customs Organization (2023), The Gambia Revenue Authority is on track to build sustainable competences on harmonization of tariff classification ranging from ranging from food and agricultural products, food supplements and medicaments, dairy products textile and textile articles, base metals and their articles, machinery and appliances as well as optical, laboratory and medical instruments.

The import tariffs currently The tariff currently comprises four rates: zero, 5%, 10%, and 20%. The ECOWAS member states are negotiating the introduction of a fifth band, at 35%, based on harmonization of national lists submitted by members, and of national exceptions to the ECOWAS common tariff. There is no evidence of country's signature of specific protocol on financial integration in recent years.